श्री जगदीश प्रसाद माथुर : मुखर्जी बाबू ने बिल्कुल ठीक कहा है, हम लोग जोथोड़े-बहुत बैठे है, सुनना चाहते है. . . (व्यवधान)

THE VICE-CHAIRMAN (SHRI MD. SALIM): It was decided in the BAC meeting to skip the lunch hour.

SHRI VISHVJIT P. SINGH (Maharashtra): Sir, I think the hopes and expectations of Mr. Som Pal are not grounded in reality. The fact is that in this House at every... (*Interruptions*).

SHRI S. JAIPAL REDDY: This proposal is absolutely innocuous. I don't know why they are discussing it. If the Minister has any objection, we are prepared to go ahead. That is the end of the matter.

SHRI PRANAB MUKHERJEE: I have no objection to a lunch-break.

SHRI S. JAIPAL REDDY: Sir, the Minister has no objection to a lunch-break.

SHRI VISHVJIT P. SINGH: Sir, I have a great objection to a lunch-break.

SHRI MENTAY PADMANABHAM (Andhra Pradesh): Sir, he is a very solid man But what about us?

SHRI VISHVJIT P. SINGH: I will tell you why I am objecting to it. Sir, I have already taken my lunch.

SHRI SOM PAL: Sir, adjourn the House for half-an-hour.

THE VICE-CHAIRMAN (SHRI MD. SALIM): I adjourn the House for half-an-hour for lunch.

The House then adjourned for lunch at fifty-seven minutes past one of the clock.

The House reassembled after lunch at thirty minutes past two of the clock. The Vice-Chairman (Shri Md. Salim) in the Chair.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) 1993-94 (March, 1994)

THE VICE-CHAIRMAN (SHRI MD. SALIM): Before we continue the discussion on the GATT Treaty, we will take up the Supplementary Demands for Grants (General) 1993-94 (March, 1994).

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): Sir, I beg to lay on the Table a statement (in English and Hindi) showing the Supplementary Demands for Grants (General) for the year 1993-94 (March, 1994).

SHORT DURATION DISCUSSION

On the formulation of our country's final decision on the GATT Treaty— *contd.*

SHRI VISHVJIT P. SINGH: Mr. Vice-Chairman, Sir, may I place before the House a fact that as I anticipated the gentleman who has asked for the lunch hour with the idea of having a larger gathering in the House, a larger presence in the House hon. Member Som Pal is himself absent from the House after the lunch hour. I merely wish to point out... (*Interruptions*)...

SHRI M. A. BABY (Kerala): Sir, we should not refer to Members who are absent from the House.

SHRI VISHVJIT P. SINGH: I am not referring. I am only referring to those who wanted others who are absent to be present and who themselves have disappeared now.

THE VICE-CHAIRMAN (SHRI MD. SALIM): Mr. Singh, after the reference, you come straight to the matter.

SHRI VISHVJIT P. SINGH: Sir, I am coming straight to the matter. This debate is taking place under the shadow of various discussions which have already taken place inside this House and outside and most of all it is taking place under the shadow of the agreement which has already been negotiatetd and settled. This is the first discussion that we are having post-agreement. Hon. Commerce Minister had been seeking a discussion on the Dunkel proposals when they were merely proposals, session after session. But the political compulsions were such that this discussion was shelved on many occasions. When finally the discussion did take place in this House, unfortunately, the discussions got bogged down in the political invective. The thinking of the Commerce Minister, which is shared with this House, at that point of time was that he wanted constructive suggestions to come from the Members of this House, suggestions which would deal with the various areas of concern because the areas of concern had been enunciated by the Minister himself, had been enunciated by the Government itself in the form of a discussion paper which was circulated. Unfortunately, as I said, the discussion got bogged down in the political invective. At any point of time, when multilateral negotiations are taking place, the most important thing to bear in mind is that those negotiations are negotiations only. We are at the negotiating table and it is a question of give-and-take. It is not a question of just saying, "no, no" to everybody. The constant attitude on the other side was negative: Don't join this, don't join that, don't accept that and don't accept anything. There was no constructive suggestion as to why and how we should negotiate. Fortunately for us, the Government has negotiated in spite of all that, and we have come out with a document which may not be completely to our liking but, at least, it is there; it is something which we can live with.

Let us understand the background of what has happened in the world. It is all very well to talk of the economic policy of the Government as it existed earlier. It is all very well to talk of 40 years ago and 50 years ago. Let us understand that any instiution which does not remain dynamic, which does not change with the times or rather change its attitudes according to the times that exist, is a decadent institution, is a moribund institution, is an institution which suffers the fate of all such institutions in history. It gets left behind. We as a nation are alive to our responsibilities. We as a nation are alive to the aspirations of our people. We as a nation are alive to the opportunities of the future.

Let us understand what the situation is as it exists today. I said all this before, but I am going to repeat it. And 30 per cent of our imports which we have today are of oil and oil products, kerosene and diesel; 50 per cent of all the kerosene consumed in the country is imported; 23 per cent of all the diesel consumed in the country is imported. 25 per cent of our exports is machinery and equipment, that machinery and equipment which was essential for our industrial survival, which is essential for the growth of our industry, which means the growth of our employment. 25 per cent of our imports is of raw materials, steel, copper, chemicals, etc. Again these are for industry to feed our industries. 10 per cent is of pearls, and semi-precious stones which are used by the jewellery trade for re-export which again is labour-intensive. 5 per

cent of our total imports is of fertilizers. 25 per cent of urea, 50 per cent of DAP and ammonium nitrate and 100 per cent of potassium fertilizer are all imported. And this, as a whole, accounts for 95 per cent of our imports. We only have 5 per cent of our imports left over to play around. 95 per cent of our imports are fixed imports, and we cannot afford to change anything in this. These imports will remain there. And they will increase. Why will the increase? They will increase as our industrial base increases, they will increase as we develop, they will increase as our GNP goes up. And soon we are going to have agro-industries. They are opening up. With all this happening, the requirement for oil, the requirement for oil products is going to go up, the requirement of fertilizers is going to go up. All this is going to result in a larger and larger import bill. We had two choices in front of us. One choice was very clear. We either close our borders and say, now we have nothing to do with the world, we as a country are dependent upon only ourselves and which we are. We as a nation have got a large industrial base. We produce practically everything here. Our agriculture is sound. We can afford to close our doors. But at what cost? Sir, it would be at the cost of development because there was no way in which we could keep our population down. The growth of our population demands that we provide employment, it demands that we provide growth. That growth is not possible if we close our doors. Today, take just one sector. Take the pharmaceutical sector. The pharmaceutical sector today has got exports worth about Rs. 1,000 crores a year. Those exports are only possible because the other countries are buying goods from us. If we had not become a signatory to GATT, those exports would have been stopped. Thereby, we would not be able to pay for our import bill. The only way we can pay for our import bill is by exports. The only way we could have exported—or we can export—is by becoming a signatory to GATT. Without this, we would not be allowed to export. We would only be exporting to those countries which are not a signatory to GATT, and there are hardly any. There are some small countries, oil nations, or...

AN HON. MEMBERS: Pigmies.

SHRI VISHVJIT P. SINGH. No, I would not call them pigmies because each nation is sovereign in its own right. I would only say that there are nations which have not come to the notice of the world community, being so small or being out of purview of everything. So, there was no way we could export, and without exports, we would not be able to sustain our imports. In fact, the result would have been the opposite. Not only would we close our borders, or close our doors, we would also have had a negative growth rate. Many of our industries which are dependent on imports would be closed down. Much of our agriculture would suffer, and all this would have a multiplier effect. Earlier, we had an alternative before the collapse of the Eastern Block. We had an alternative outside the western multilateral fora. That alternative, unfortunately, Mr. Vice-Chairman, is no longer available to us. Those markets are now closed. They are rather open but they are not, the way they were for us before. We have had to seek alternative markets for those goods which we were exporting to those countries. It has taken us a little time in this transition period. Even then, I think, it is a matter of great appreciation that we as a national have faced that challenge. In spite of the collapse of the Eastern Bloc, our exports have not gone down: they have gone

up because we have re-scheduled our exports to other countries. If we had not signed GATT document, those exports would not have been possible. The fact is, in this global community as it exists today, either you are a part of it or you are not a part of it. There is no way you can afford to stay where you are. I am not talking about the progress. I am only talking about staying where you are. You cannot even stay wher your are unless you join the global community. If you do not join the global community, you find yourself at a loss. You find yourself moving backwards, forget about development. Mr. Vice-Chairman, can we, as a nation, afford any such thing? Can we, as a nation, afford to betray our people? I do not think so. The Government of India enunciated its own areas of concern. It enunciated its area of concern in agriculture. It enunciated its area of concern in prarmaceuticals and chemicals. t enunciated its area of concern in the patent regime. And these areas of concern were adequatly addressed by the Government of India. In agriculture, there were four major areas of concern. One was, would we be able to keep our subsidies? There was an apprehension that the GATT document spoke of reduction in subsidy and we were worried about it. It was an area which greately concerned us. We pay minimum support price to our farmers. We were worried about it. We also have through various measures, provided, over the years subsidies in respect of water, electricity and agricultural inputs. There was a great concern voiced all over the country that any reduction in these subsidies would cause problems to us.

SHRI SOM PAL: What subsidies?

SHRI VISHVJIT P. SINGH: The subsidies are of two kkinds. I am talking about agricultural subsidies. The agricultural subsidies are of two kinds, namely, non-product specific subsidies and product-specific subsidies. As I said, non-product-specific subsidies are in respect of water, fertiliser, cost of credit, etc.

SHRI JAGESH DESAI: Electricity.

SHRI VISHVJIT P. SINGH: Sir, the Dunkel Text categorically speaks of a base year, i.e. 1986-88. It says that non-product-specific subsidies have to be below 10 per cent of the total agricultdral producion, the value of the total agricultural production, in the base year, calculated at international prices.

SHRI JAGESH DESAI: Now, both are merged; the non-productspecific subsidies and the product-specific subsidies.

SHRI VISHVJIT P. SINGH: I am coming to that. They are not merged. They are still different.

In our case, the non-product-specific subsidies account for 5.2 per cent, far below the minimum guaranteed under the G.A.T.T. Treaty. I am not going to quote. I have the relevant provision here with me. I can quote. If my friend, Mr. Jaipal Reddy, wants me to quote, I can quote for him.

SHRI S. JAIPAL REDDY: I can also quote for you.

SHRI VISHVJIT P. SINGH: Do you want me to quote?

SHRI S. JAIPAL REDDY: No, please.

SHRI VISHVJIT P. SINGH: Coming now to the product-specific subsides, again the limit is 10 per cent of the total value in the base year, 1986-88, calculated at internatonal market prices. The Government of India gives minimum support price in the case of 20 items today. In the case of 17 of these items, the international prices in 1986-88 were higher than the Indian prices today. Therefore, as far as we are concenred, 17

items are not covered. Only three items would come under this. In fact, even these three item sugarcane, groundnut and tobacco—would not even these three items sugarcane, subsidy is less than 10 per cent. Therefore, they are also not covered.

Therefore, Sir, as far as the question of subsidies is concerned, we are absolutely on a clear ground. There is no way our minimum support prices getting affected. There is no way the other subsidies getting affected. None of the subsidies which we are giving to our farmers, whether it is in the form of fertiliser or water or electricity or in the form of minimum support price, would be affected.

I would also like to point out that this Agreement is only for six years, in respect of agriculture. After six years, it will have to be renegotiated.

SHRI S. JAIPAL REDDY: In what direction?

SHRI SOM PAL: Mr. Singh, will you yield for a minute? On subsidies, the question is whether we have been lateral arrangement. Have we been able to convince the international community to pressurise the developed countries, including the United States of America, the European countries, Canada, Australia and New Zealand, to bring down their subsidy which ranges from 19 per cent to 68 per cent? They are not being asked to reduce their subsidy. Therefore, we are going to lose, after some time, whatever advantage we have got. It is because of the inflation which is taking place. We are going to lose, in due course, the advantage we have in the case of exports. This is not a big thing which you have achieved. The question is whether we have been able to forge an equitable regime.

SHRI VISHVJIT P. SINGH: The developed countries have to bring down their subsidy. On the other hand, we do not have to bring down ours. We are on the negative side.

SHRI SOM PAL: We do not have any subsidy, in fact.

SHRI VISHVJIT P. SINGH: In the case of the developed countries, in the case of the Western countries, the maximum level is 5 per cent. If you want, I can quote the relevant provision.

SHRI S. JAIPAL REDDY: It is academic.

SHRI VISHVJIT P. SINGH: Is it acdemic when I say that the developed countries have to bring down their subsidy? I am not afraid, Mr. Vice-Chairman. I seek your protection. Either I should be allowed to quote the relevant provision to make clear.

SHRI M. A. BABY: I am not convinced that Mr. Vishvjit Singh needs any protection.

SHRI S. JAIPAL REDDY: On the contrary, we need protection from him.

SHRI VISHVJIT P. SINGH: I would like to quote from Agreement on Agriculture, page 7, para 4(a)(i):

> "product-specific domestic support which would otherwise be required to be included in a Member's calculation of its Current AMS where such support does not exceed 5 per cent of that Member's total value of production of a basic product during the relevant year;
>
> non-product-specific domestic support which would otherwise be required to be included in a member's calculation of its Current AMS where such support does not exceed 5 per cent of the value of that Member's total agricultural production."

It has been brought down to 5 per cent. Please read the relevant para, Mr. Som Pal and Mr. Jaipal Reddy.

SHRI SOM PAL: No, no, it is not like that.

SHRI VISHVJIT P. SINGH: Mr. Vice-Chairman, merely by reiterating something over and over again it does not become the truth. The truth is what is there in black and white, the truth is what is there in this document. And this is the document which we are discussing. It is not something which is in the imagination of Mr. Som Pal or Mr. Jaipal Reddy

Mr. Vice-Chairman, the second area in agriculture which the Government of India was worried about, was the public distribution system, the domestic food aid which we give. There were various aprehensions that the public distribution system would be affected. Once again, Mr Vice-Chairman, that document clearly says that the food needs of the poor, whether rural or urban, shall be catered to and do not come under the purview of the GATT Text. Would you like me to quote it for you?

SHRI SOMPAL: It is taken as quoted.

SHRI VISHVJIT P. SINGH: I am going to quote it.

THE VICE-CHAIRMAN (SHRI MOHD. SALIM): Mr. Singh, I will advise you not to get provoked because it will consume your time.

SHRI VISHVJIT P. SINGH: I assure you, I love being provoked. At least it allows me to think.

SHRI S. JAIPAL REDDY: We have decided not to oblige him

SHRI VISHVJIT P SINGH: You to not want me to think any more. It is here on page 17, footnote to para 4, and I quote:

> "For the purposes of paragraphs 3 and 4 of this Annex, the provision of foodstuffs at subsidized prices with the objective of meeting food requirements of urban and rural poor in developing countries on a regular basis at reasonable prices shall be considered to be in conformity with the prvoisions of this paragraph."

It is very very clear as crystal. Our public distribution system is not affected in any way. Of course, the public distribution system, when it applies to the rich of the country, will get affected, but not the poor people of the country.

Then, Sir we had apprehensions and these apprehensions have been voiced in various ways all over the country. A real campaign of disinformation has gone on. I think it is time that we nailed the lie. It is time that we brought it on record as to what the truth of the matter is. I refer to the patent regime on agriculture as it pertains to agriculture and basically to the patenting of seeds. There are two aspects to this. I will deal first with the disinformation part and then I will come to the information part. The disinformation, as has been just now mentioned a little ago by my honourable colleague, is making sweeping generalisations that all our bio-resources will be under patent of foreign companies, that all our farmers will be in bondage to foreign companies, that all our forests will be colonised etc. Let me explain, Sir, there is no provision in the entire GATT document which provides for patenting of anything that is here. There is no such provision which says that there is compulsory patenting by foreign companies. There is no such thing. Whatever we have in this country, which is outside the patent regime, can remain outside the patent regime. There is nothing to prevent us from exchanging seeds which we are growing today. There is nothing to prevent us from propagating what we have as our bio-resource, no matter what it may be. There was a lot of talk about neem recently that neem has been patented. It is not

neem itself that has been patented. but it is a product of neem that has been patented. This kind of a campaign of calumny which goes on, making sweeping statements without any responsibility, I am afraid, has to be stopped.

Further, what does the GATT regime say even today? The GATT regime on seeds is very very clear. We will form our own regime. We will bring in our own legislation. I would like to quote this. This is the Agreement on TRIPS. This is Aritcle 27, page 13, para 3. It says:

"Members may also exclude..."

The key word here is "exclude", not "include".

"from patentability:—

"(a) diagonstic, therapeutic and surgical methods for treatment of humans or animals;

"(b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and micro-biological. proceses. However, Members shall provide for the protection of plant varieties..."

SHRI S. JAIPAL REDDY: Will you yield?

SHRI VISHVJIT P. SINGH: Yes, definitely, I always yield to you.

SHRI S. JAIPAL REDDY: Mr. Vice-Chairman, he quoted from the relevant provision. Will you kindly note, "other than micro-organisms"? That means micro-organisms can be patented.

SHRI VISHVJIT P. SINGH: Yes.

SHRI S. JAIPAL REDDY: Biological processes of productions of plants or animals other than non-biological and microbiological processes can be patented.

SHRI VISHVJIT P. SINGH: Yes.

SHRI S. JAIPAL REDDY: Your Government was saying until the last that it would not agree to the patentability of this process.

SHRI VISHVJIT P. SINGH: Just hold on. There is a provision. You have got to see this. This is the point. Unfortunately this happens to be a sort of disease. This is a sort of disease which various Members of the Opposition have suffered from, over the years. I remember the time when we used to have Mr. Dipen Ghosh as Member, and he used to jump up.

SHRI S. JAIPAL REDDY: Come to the subject matter, baba.

SHRI VISHVJIT P. SINGH: I am coming to that.

SHRI S. JAIPAL REDDY: I don't think we should waste our time... (*Interruptions*)

SHRI VISHVJIT P. SINGH: I think, Mr. Jaipal Reddy is probably having a spring under his seat. Let me read the whole provision.

श्री एस० जयपाल रेड्डी : अदर दैन बोला हू ।

श्री विश्वजित पृथ्वीजित सिंह : अरे भाई सुनो तो सही । अगर सुनोगे तो समझोगे। सुनोग नहीं तो समझोगे कैसे ?

SHRI RAMACHANDRAN PILLAI (Tamil Nadu): No spring can lift him.

SHRI S. JAIPAL REDDY: I can only assure him that I am not going to return his complements.

SHRI VISHVJIT P. SINGH: It says:

"However, Members shall provide for he protection of plant varieties

either by patents or by an effective *sui generis* system or by any combination thereof. The provision of this sub-paragraph shall be reviewed four years after the entry into force of the Agreement Establishing the MTO."

It is up to us, Mr. Vice-Chairman, to provide the mechanism, either by patents or by a *sui generis* system or by some kind of a combination thereof.

And the combination we thought of is to clearly demarcate the researchers' rights and the growers rights. Those rights are to be defined through the legislation which has to be brought in by the hon. Minister. He has spoken about this many times before. I do not want to carry on talking about it.

Having dealt with this, I come to the last area in agriculture on which the Government of India had expressed its own apprehensions. It was about the minimum market access. There is a provision for minimum market access and there is a provision once again in the understanding on balance of payments provisions of the Genreal Agreement on Tariffs and Trade. There is a clause which says that if we have a negative balance of payments position, we get time in which to sort the matter but We do not come under the minimum market access. In any case as and when the time comes, that we do not have the balance of payments problem, that we do open up our farms market, we say we will allow the minimum market access. Letus understand how much foreign exchange do we have available for them to play in the market. As I have already said our exports barely pay for our imports. 95 per cent of our imports are fixed imports. So, what do we have in the free market? In the free market they will have to buy the foreign exchange at high premium. Only after buying the foreign exchange at high premium, would they be able to import there goods into the country and then only they will be able to put into the market. Where that foreign exchange is going to come from. If the foreign exchange is not available there is no way they can import those goods. When you are talking of free market access, it is an academic exercise. Not that it would not happen, it is going to happen in any case.

Going further, another area of concern for us is the area of medicines. Again their is a great disinformation campaign which has been going on for a long time. Speaking of how cheap the medicines are in India and how expensive they are going to become because of our joining the patents regime, I would like to point out that 80 per cent of our medicines, which are available in the market, are free of all patents everywhere in the world.

SHRI S. JAIPAL REDDY: Who said?

SHRI VISHVJIT P. SINGH: These are the figures in evidence quoted in front of the....

SHRI S. JAIPAL REDDY: By the Government, but they have been disputed by everybody in the world.

SHRI VISHVJIT P. SINGH: As I said before, merely by disputing or merely by saying things, it does not make it. The truth is what has been given in evidence. If you like me to quote the volumes of evidence which have come, I can do so. All the evidence has come, whether it was in front of the Standing Committee of Parliament on Commerce or the Standing Committee of Parliament on Chemicals. Eighty per cent of our medicines are out of the patents regime. Why are our medicines cheap? I would come to that part later. In any case we have got the ten-year limit. And all medicines which are patented, which are the sake of clarifications. Mr. Reddy, I hope you will hear this. All the me-

dinices which are already being manufactured in the country, which are already under the process of manufacture, they may be through a process patent, they will not be subject to a product patent. All medicines which are already available even though they are patented in other parts of the world, they are not subject to patent here. They will not be subject to patent. In any case for the next ten years whatever we manage to produce through the patents will not be subject to patents. It is only after the ten years that the patents regime comes into force. Till then we have time. Let me point out once again today, as I said before, we have Rs. 1,000 crores worth of export of medicines.

Those medicines we export only because we were signatories to the previous GATT Agreement. If we do not become signatories to this GATT Agreement, then, those exports would not become possible. Without exports, the companies would not make a profit. They would not make medicines available within the country. In the recent past we have seen, whenever there was no profitability in the medicines, the private sector companies which were making those medicines stopped it. They are not in the business of charity. They stopped making medicines the moment there was no profit. The only way they were making profits was through exports. We saw a time when the exports to the Soviet bloc came down because of the problems which took place in that bloc. It became unprofitable for them to make certain medicines. Immediately there were shortages in the market. If you want to keep your export market, you have to join the GATT. There is no way except to be a part of this multilateral regime.

There were lots of apprehensions about the health system that medicines for the public health system would not be available. The fact is that even those medicines which are under patent, which are found by the Government of India to be essential for the health services, the Government of India can do compulsory licensing of those medicines.

SHRI S. JAIPAL REDDY: Show me the provision.

SHRI VISHVJIT P. SINGH: I cannot show you the provision suddenly.

SHRI S. JAIPAL REDDY: Because you know this is not a party matter. You are one of our leading Members. The point is you can do that only in times of emergency, in times of urgency and for a temporary period. Nowhere is it said that you can do so for public health. Please don't...

SHRI VISHVJIT P. SINGH: I am afraid I will not be able to find the provision just now because I have removed the flags. I will find it and produce it before the debate ends.

The previous Member spoke of the Coca Cola culture and the multinationals. I just want to point out one basic little thing which I came to know about Pepsi Cola in Punjab. In Punjab they have set up an agriculture extension programme for the development of tomatoes. Today there are farmers—if need be I can produce in front of the hon. Member—in Delhi and Haryana who are earning from one yield of crop of tomatoes. Rs. 1,18 000 per acre because of the seeds that were brought in by the Pepsi Cola. That is the kind of benefit we are talking about. ...(*Interruptions*)... Don't make gestures like that.

प्रो० विजय कुमार मल्होत्रा : अगर पेप्सी न होता तो भी उतनी इन्कम होती ।

श्री विश्वजित पृथ्वीजित सिंह : सीड कहां से आता । एक एकड़ से 1 लाख 18 हजार रुपये का टोमैटों उगाया है । सीड कहां से आता ?

प्रो० विजय कुमार मल्होत्रा : अगर पेप्सी न होता तो सीड क्या नहीं आता?

श्री विश्वजित पृथ्वीजित सिंह : तो सीड आप लाते ना ।

प्रो० विजय कुमार मल्होत्रा : आता ही आता

SHRI VISHVJIT P. SINGH: This is all presumption that we can do it by ourselves. We are a nation which has absorbed things from outside, throughout our existence and which has taken the best from everywhere in the world. Do you want us to close our doors today? Do you want want us to become inward—looking? Our major strength through out the century has been this tremendous catholic outlook that we have through out the world. This outlook which allows us to look at the world and absorb what is the best all over the world to become one with the world community. That is the need of the hour and not this narrow-minded thinking for we need to protect ourselves with all kinds of walls built up around ourselves and sit and mourn about ourselves. That is not the case. Let us take the example of other countries around us. Can we allow ourselves to sit in isolation? Those countries were behind us 40 years ago. China was behind us in many areas. Look at where China is today! Similar is the case with Thailand and Japan. Even Japan was behind us. Look at those countries! Look at where they have reached. Do you not want to unleash the potential of India? Do you want us to remain, forever, backward? I think it is about time we recognised on our own strength; it is about time we stood on our own steam; it is about time we actually asserted ourselves in the world community.

SHRI M. A. BABY: Mr. Vishvjit Singh, I want to say this since you have referred to China. China made all its progress while it was outside the GATT. Please understand that.

SHRI VISHVJIT P. SINGH: Yes. And it signed multi-lateral agreements. It signed bilateral agreements with individual countries which were far in excess of anything demanded by the GATT.

SHRI ASHOK MITRA (West Benbal): China is industrially strong.

SHRI VISHVJIT P. SINGH: Oh! China is industrially strong!

SHRI ASHOK MITRA: We are economically weak for the policies we have pursued over the years.

SHRI VISHVJIT P. SINGH: Very good, very good, Mr. Vice-Chairman.

THE VICE-CHAIRMAN (SHRI MD. SALIM): Your party is allotted 106 minutes. You have already consumed 40 minutes.

SHRI VISHVJIT P. SINGH: I am about to finish. Mr. Vice-Chairman, I assure you that I do not wish to indulge in... (Interruptions). There is nothing worse than an old colleague. It is impossible to argue with him.

With these words, I thank you, Mr. Vice-Chairman.

SHRI S. JAIPAL REDDY: Mr Vice-Chairman, at the outset, I would like to make a comment on the manner in which the Government tried to keep Parliament in the dark even about this final Act. If one goes through the final Act, one finds numerous references to the GATT of 1947. I would like to know as to why the Government did not circulate the thin, slim, copy of the GATT of 1947. It did not do it because.. (Interruptions).

SHRI PRANAB MUKHERJEE: They are available in the Parliament Library for Members to read. What is he talking? He is a senior Member.

SHRI S. JAIPAL REDDY: I had availed myself of that.

SHRI PRANAB MUKHERJEE: Does he expect that I will circulate all the international documents from 1947, of all the seven rounds of talks?

SHRI S. JAIPAL REDDY: No. But there are reference to articles of the GATT, 1947, here.

SHRI PRANAB MUKHERJEE: What is the Library meant for?

SHRI S. JAIPAL REDDY: And, this book has not been paginated properly through it contains so many schedules.

The point I am trying to make is that this Government wanted to take recourse to mystification and obfuscation of the issues involved in this. Now, I liked a large part of the speech of Mr. Visvjit Singh. I do not know about his political honesty. But he is intellectually bonest. He has said that this is a thing we can live with. He has not welcomed it. He and his Government have always been making a virtue of necessity. "You have no option; therefore, accept it." I do not want to use a vulgar phrase. You are making a virtue of what you consider a necessity. Now, they referred to China. Time and again, the answer has been given. China has been outside the GATT for all these four decades. And yet, the Most-Favoured Nation status has been conferred on China, in spite of its human rights record. in spite of its nuclear weapons status, in spite of its violations of the MTCR, by the United States. Why? Because the United States and everybody else in the world—that is the lesson of history—respects strength. China is strong and you are not. That is the point. China has been able to develop its trade through bilateral arrangements and it has annual trade surplus with the United States to the tune of 15 billion dollars. Sir, the more I go through this final Act, the more I am astounded and dumb-founded by the all embracing tenttcles of this Act. The Government of India has been reduced to a glorified Municipality. The Parliament of India has been reduced to a Municipal Council. Mr. Vijay Kumar Malhotra should have compared Parliament of India to Delhi Assembly which does not have any powers whatsoever. Now, to illustrate my point, I will refer only to one provision. I do not want to take the time of the House by referring to this book too often. I am referring to Services. In Part I (b)— "Services include any service in any sector, except services supplied in the exercise of governmental authority. That means the World Trade Organisation, which is going to succeed GATT, can have access to tny service other than maintenance of law and order. I do not know whether our Commerce Minister has been able to read this. It says "a service supplied in the exercise of governmental authority, means any service which is supplied neither on commercial basis nor in competition with one or more service suppliers. "That means you cannot even provide education. A multinational company will say, "Look, this is a service that is being rendered on commercial lines or on competitive lines." Take, for instance, health. That is run partly in this country on competitive lines, on commercial lines. They can enter. The range and the gamut are total. Whenever we said that the sovereignty of India was being trespassed upon, I may now tell you, we were guilty of gross understatement. The sovereignty of India has been eroded. We are here only to maintain law and order and nothing else. I am not saying that there are no provision by which mischief can be reduced for the present. (*Interruptions*)

SHRI VISHVJI P. SINGH: Will you please yield for a minute? (*Interruptions*) You will have to allow me because you asked for the provision and I would like to read it out. (*Interruptions*)

SHRI S. JAIPAL REDDY: You can speak after I finish my speech.

SHRI VISHVJIT P. SINGH: I am talking of compulsory licensing. This requirement may be waived. I am quoting from the agreement on this. Article 31, sub-para B. "This requirement may be waived by a member in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. (*Interrup-*

tions) "In cases of public non-commercial use." I am quoting from the document itself. I hope the hon. Member is enlightened. If he likes, I can bring the book to his bench and he may read it himself.

SHRI S. JAIPAL REDDY: The problem with Mr. Vishvjit Singh is that his understanding is much superior to mine. The word "non-commercial use" which is so strictly defined, has to exclude all public institutions. There is a GATT Committee to decide on this matter. You are not the person. This Parliament cannot decide. You don't understand this.

SHRI JAGESH DESAI: You are the people... (*Interruptions*)...it will not affect them at all.

SHRI S. JAIPAL REDDY: How? (*Interruptions*)...Sir, I do not think we can have a running debate. I disagree with his understanding of the expression.

SHRI VISHVJIT P. SINGH: I am afraid, there is only one understanding which can be there in black and white. I hope, the House will excuse me and Mr. Jaipal Reddy will excuse me. I have to go to Parliament House Annexe to deliver a lecture. Sir, I hope you will allow me.

SHRI S. JAIPAL REDDY: I am prepared to be treated to your lecture after I cease to be a Member of Parliament. Naturally, I cannot miss the wisdom of such an enlightened Member.

Sir, I wonder whether it will be a democracy from now on or it will be a GATTOCRACY. It will no longer be a democracy. It will be ruled by the GATT and not by Parliament of India. Is it a fair rule? If there were to be a world Government—I am a great admirer of our great poet. Shri Rabindranath Tagore—if there were to be a genuine World Government, I would welcome it. But what is the track-record of the GATT. The GATT's track-record has always been loaded heavily in favour of the rich nations. Therefore, the developing nations made a complaint in the United Nations. That is how the UNCTAD came into existence in 1964. And yet, the track-record of GATT has not improved a wee bit. Now what is going to happen? Through the Uruguay Round, through this final Act, the range and depth of domination by the rich nations will be inordinately increased. I know I should not cover the ground that I had earlier traversed when I spoke twice but I am obliged to refer to one grand sweeping statement made by our learned Minister. He said, because of this, our international trade would go up . 1|1-2 to 2 billion dollars. My God! he has not told us as to how it would go up. His simple technique was this, apparently. The world trade will go up by 200 or 300 billion dollars. Our share of the world trade is .5 (point five). Therefore, our exports also go up by 1.5 to 2 billion dollars! The Minister knows full well that our contribution to the world trade need no necessarily go up proportionately. In 1947, the contribution of India to the world trade was 2 percent. In the last 45 years, our contribution has come down to 0.5 percent. If you think that a multilateral system does automatically lead to increasing our trade, then how is it that our trade fell so steeply? Therefore, I would request the hon. Minister to throw light on his own statement. Let him not bamboozle the country through funny and unverifiable assertions. Mr. Vice-chairman, I do not say our Government did not do its best at the GATT. In a way our representatives took many negotiating positions to secure the maximum advantage. They failed on the political front because before the Uruguay Round was completed on 15th December, 1993, eighteen months before that, our Government gave away the bottom line. It capitulated. What did you do? You declared "Whatever the outcome may be, we are going to be a signatory." When your counterparts know that they have no option whatsoever, why should they concede anything to you? Your negoiating positions were not backed by political will. Mr. Pranab Mukherjee became the Commerce Minister recently. Before he became Commerce Minister, he himself voiced many grave apprehen-

sions as the Deputy Chairman of the Planning Commission. I compliment him on having done that. But I can't compliment him if he now stages a somersault. After having failed to get anything, now the Government has embarked upon a media blitz of tendentious statements and huge half-truths.

Mr. Vice-Chairman, Sir, we have the final Act with us. But the real business is now going on. You are now preparing schedules. You have already submitted some schedules. Sir, many offers are being made and many offers are being received. You have not taken the Parliament or the country into confidence about the schedules you have prepared, about the efforts you are making. This is a very crucial period. It is only a skeletal Act. I am happy to know that so many of our eminent people went to the United Nations Human Rights Commission's meeting at Geneva. I am told that four former Foreign Secretaries rushed in a group. I am not opposed to that. It is very important. But I would like to say that this is not any the less important. A very important crucial business is being transacted right now at Geneva, following the final Act. Why don't you send your team? Why are you depending merely on the extent talent of your Department? Why can't you take the services of somebody like Mr. Prem Kumar or Mr. S. P. Shukla or Mr. Surender Patel? Why can't you put together a team?

SHRI MENTAY PADMANABHAM: They are all critical of them.

SHRI S. JAIPAL REDDY: They have all served the Government. They have also participated in the process of the Uruguay Round. I am not saying that those who are serving there are any the less competent. Our team needs to be strengthened. I would request the Commerce Minister to appreciate it.

Sir, once a foreign company comes into our country, it has to be given a national treatment. It means that it must be given the same treatment as is given to any company in the country, be they the private companies or the public sector companies. For example, we give 15 per cent price preference to the Indian companies and to PSUs. You can't do that anymore. As Mr. Malhotra has mentioned, if all he services are to be made free, I would have no objection at that allows our personnel to move into other countries. Mr. Clinton and Mrs. Hillary. Clinton are making gignatic efforts to see that the costs of medical treatment in America are reduced. They can reduce it in 24 hours if they allow one lakh doctors to go from India. There is nothing given to you on immigration and employment issues. On the contrary, there is specific provisions, to say that this should not apply to employment and immigration. I don't want to waste the time of the House by referring to the provisions of the Text. Now as regards TRIMS. When Pepsi Cola came into our country—I was then a Member of the Eighth Lok Sabha—we all opposed it but the Government defended it by saying that the Pepsi company would have to observe export conditionalities. And we raised questions galore in both the Houses of Parliament that these conditionalities were not actualy observered. Now once we sign his final Act, I may tell you, Mr. Commerce Minister, you can no longer impose any export conditionalities; you cannot even say that indigenous products should be used; you cannot even say that there must be progressive indigenisation of new technology; you cannot even impose prohibition on imports on the ground that their substitutes are available in India. Could there be anything more abominable, more reprehensible? You can take recourse to these conditionalities only on the ground that our BOP position is not comfortable. But who is going to decide on the BOP situation? It is the GATT

Committee. And the GATT Committee will pay heed to the advise of the IMF and the World Bank. I know. I know that Mr. Pranab Mukherjee will turn round and say, "Look Mr. Reddy, we are also member of IMF and we will sort out." In IMF the voting is weighted. Therefore, G-7 will be able to dictate through IMF to the GATT as well. Even in regard to investment policy and competition policy, they will tell you what should be done. You cannot go in for prioritisation. Having regard to our own conditions in the country, we have our priorities. You can't do that. I can refer to the relevant provision itself. Article 9 in TRIMS states: "In the course of this review, the Council for Trade in Goods shall consider whether it sholud be complimented with provisions on investment policy and competition policy." That means that it is the GATT Committee which is going to decide as to what our investment policy or competition policy should be.

Now coming to agriculture, quite apart from financial implicatons, I am worried and frightened over the loss of autonomy. I don't want to use that much abused word 'sovereignty'. What we should do within our country is to be dictated to us by the GATT. You know, there are many people in this country, including Mr. Sharad Joshi, who think that Indian agricultural products can be exported on a large scale. They are living in a fools paradise. Our export possibilities are absolutely meagre. Even, at the end of six years, the export subsidies in advanced countries like the EEC and the USA would still be 64 per cent of the Budgetary support; that means those countries will continue to give export subsidies up to 64 per cent even at the end of six years. In India, we never gave export subsidy to agricultural products. So, that advantage is not there at all. So, how are you going to compete in the international market? In terms of quantity, the subsidy, at the end of six years, will be to the tune of 79 per cent in those countries. Now, talking of market access. Quite apart from its immediate implications, I am opposed to this compulsory access to the Indian markets. Who the devil are they, who the hell are they to tell us to open our markets? I remember that lady who was serving President Bush who said "We will open the markets through a crowbar" They actually did it through a crowbar. They opened your markets through a crowbar. In the Draft proposals, the access was up to 3.3 per cent. But, now in the final GATT Act, the access wil be 4 per cent from the very first year in regard to non-staple foods. At the end of the sixth year, the access will have to be 8 per cent. Even in staple diet items, in ten years the Indian markets will have to be thrown open to an extent of 4 per cent. Now they are saying that Europe, the USA and Japan will be compelled to reduce their subsidies. To what textent? They will be reducing the subsidy by 20 per cent. at the end of the sixth year. Are we aware that the Government of Japan gives 7000 per cent subsidy to rice in Japan? If only 20 per cent is reduced, how are you going to export your agricultural products? How are you going to be internationally competitive? Why are you holding out a false hope to cover up your surrender, your defeatist mentality?

Now, I come to TRIPS. Mr. Vice-Chairman, Sir, it is in this area that we have lost out completely. Let me confess honestly that I would have perhaps reconciled myself to the remaining part keeping the provisos in view, if TRIPS were not a part of this final GATT Act. What are the provisions of this TRIPS? The patent period will be 20 years. The patent protection will be 20 years as against 5-7 years under the Indian law. I don't talk about the process patents but I talk the product patents. And if a

complaint is made, who should prove the complaint is wrong? The accused must prove. It is topsy-turvying the principles of criminal jurisprudence. The burden of proof will be reversed. It will be shifted to the accused. What is more if you fail in one area, then there will be retaliation in some other area. As I said before, it is worse than the Mosaic law. Under the Mosaic law, it is tooth for to Under the GATT law, it will be eye for tooth. This is the kind of patent law that we are going to enact in this country. We have no other option but to enact. Under this new accord Mr. Pranab Mukherjee has no option but to enact. What is more? If somebody invents something in Europe or in the USA and if he comes and files his patent here for patent protection, then that thing need not be produced in India. Importation will be the same as the working of the patent in the country. That man who invents or that company which invents can take recourse to exports through its sole-selling agents. It will be treated on par with indigenous production. And in this new Act of GATT nowhere is there a reference to what is known in our country as public interest. Public interest is a concept acknowledge all over the world. They have public interest litigation even in the United States. There is no provision made whatever for public interst. If this law were to be enforced 30 years back, I would like to know whether Japan would have reached the stage which it reached today.

Before I go to pharmaceuticals and seeds, I would like to make one comment. If ha a crippling shattering impact on the research and development programme in the country. There can be no research in this country at all because every invention has 20 years of patent protection. After 20 years, here will be a process patent because there is a patent both for product and process So, why should anybody do any research at all here? so, it is going to kill our research and development programme. If we have been successful in any area in the last 40 years, if we are proud of anything, thanks to Nehru's grand vision, we are proud of having produced a vast industrial infrastructue, scientific research base and technical pesonnel. And it is on this count that we are going to be killed.

Now, coming to pharmaceticals, drug prices are admittedly at least ten times higher in the west than in India. Even in Pakistan which adopted a system of product patent, the drug prices are so many times higher. I do nt agree with Mr.Vishvjit. There is absolutely no scope for compulsory licensing or even sublicensing.

The Government has been indulging in misleading propaganda on this count. Even if you produce through the permission of a patent holder you cannot export.

Then, coming to drugs, I would like to mention one impotant point. Product patent applications can be filed from 1955 itself. There is no transitional arrangement. If somebody invents a drug in 1994 in the United States, he can file for patent protection in 1995 itself. And that shall have five years protection, and that shall enjoy exclusive marketing rights for five years. And applications can be made immediately with the Drug Controller from 1995 itself. And we may say, "Well, it is a drug invented in the United States. It must be good because there the standards of testing are high." I admit that but, under the GATT, a multinational of the United States of America can obtain a patent right in Timbuktu where the standards may not be high and yet it will be able to file for patent protection in India in 1995 itself. What is the kind of profits that the US pharmaceuticals are seeking? Let us try and understand. To produce one molecule or one new drug, it is understood that 200 million US dollars need to be spent on an average, which means about Rs. 600 crore. This amount of Rs. 600 croers may appear to be a huge amount but when such a company has a world-wide monopoly for twenty years, I do not know how many billions of dollars it can make on a single drug. There is one anti-ulcer

drug called Ranitidine. I do not want to quote too many examples. This Ranitidine was invented by Glaxo of U.K. Its annual global turnover is Rs. 10,000 cores on this drug alone, and its annual profit is Rs. 3500 crores. In India, by a different process, 10 or 15 Indian companies have been able to produce it and the price of the same has been reduced from 20 to Rs. 7 in India.

I will quote another example and move from that item. There is a drug called Cifran. It is for typhoid and it can cure typhoid in four days. Our people discovered it by a different process. We do not have a product patent law, and, therefore, we are able to buy that drug at an affordable price. These inventions now cannot be used for education or for research without an authorisation. And when you go to the patent holder for auhorisation, he will charge a terribly high fee. And if somebody tomorrow, I wish somebdy did, invents a drug for AIDS or for cancer and if that drug is to have patent protection and process protection for 20 to 40 years, the whole world would be held to ransom. There is no provision in regard to Life-saving drugs.

SHRI SOM PAL: It applies to seeds also.

SHRI S. JAIPAL REDDY: Now I come to seeds. The Government said the seeds would not be patented, but improved seed brands can be patented.

[The Vice-Chairman (Shri Shankar Dayal Singh in the Chair]

And when improved seed brands are available, you cannot prevent the farmer from taking recourse to that. And each brand will have 20 years' plant protection. So, in this area, we have made considerable advancement. But what will happen?

Now I come to another sensitive matter. Our Government. before this Round was concluded, said that it will, under no circumstances, agree to patenting of micro-organisms bio-technological processes and micro-biological processes. It ate its words. The Government had no problem in going back on a solemn commitment to the nation. This commitment was made in Parliament and to the nation and all these things have been patented now. Everytime, the Minister talks of sui generis system as though it is a great panoply that we are going to have. This sui generis system also is to be governed by international conventions. What are you going to do with regard to the germplasms of India? It is rich in bio-diversity. What are you going to do to protect our rights?

Let me move on to he next item, fertilizers and pesticides. The patent holders will have exclusive marketing rights. You must look at the direction in which the world is moving in the area of patenting. Do you know that seeds have already been patented under the N.A.F.T.A. Agreement? Are you aware of the basic thrust and direction of this entire Act? In every Schedule, it is said that we will go on, we will keep on, liberalising progressively.

People are talking of export opportunities. How can you export? The provisions of the G.A.T.T. will be fulfilled by the emerging expanding, regional blocs. The E.E.C. will fulfil all the commitments under the G.A.T.T. through arrangements among themselves. The United States of America—the market you are looking to—will also do the same thing, within the framework of the N.A.F.T.A. The same thing will be done by the ASEAN Countries. Therefore, what is the advantage of this law?

The commitment here is that we shall not impose customs duty beyond 454 per cent, overall. Of course, Dr. Manmohan Singh has been reducing the peak customs duty. Dr. Manmohan Singh and Mr. Rao will not last long, in spite of the defections they are encouraging. They are going to lose in the next polls. Tomorrow, if somebody else comes to power, he also would not be able to increase the customs duty because we are going to be bound under this law for eternity.

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): Nobody else will come to power.

PROF. VIJAY KUMAR MALHOTRA (Delhi): You have only two years left. (*Interruptions*)

SHRI S. JAIPAL REDDY: You will come to power. I would like to assure Jayanthi that she is going to come to power in Tamil Nadu.

SHRIMATI JAYANTHI NATARAJAN: If you are talking about defections, if you are talking about as to who is going to come to power, etc., you have to expect a reply. Otherwise, I would not have interruped you.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Mrs. Natarajan, you are the next speaker. Don't worry. (*Interruptions*).

SHRI S. JAIPAL REDDY: Let me confess candidly that I have always welcomed interruptions from Jayanthi.

Now, Sir, what is the use of this law. If the United States of America can take unilateral recourse to Super 301 if the United States of America can take recourse to Super 301 against Japan, what is the advantage of this law at all? We are going to be permanently bound, in the technological sense. I consider it a classic example of global upper-caste-system. Certain people should not know. Drona told Ekalaiva that he could not practise archery as he belonged to lower caste. We are being told by the advanced nations that high technology is their business not our business.

Therefore, my plea to the hon. Minister is that this final Act of GATT needs to be thrown out, lock, stock and barrel. You take a decision that you will not sign it. We will go in for bilateral arrangements. Let us see what we could do. Why should we get into this mess at all? I, therefore, urge the hon. Minister, there it is not too late to reverse the decision. Yesterday, the Prime Minister made a bold declaration that they were going to sign it. When the negotiations are still underway, where is the need for you to cry from the house-tops, time and again, that you are going to sign it? Where is the need for these parrot-like declarations? Please stop these declarations, for God's sake, for the country's sake. I may not believe in God. But I do believe in the country. Thank you.

SHRIMATI JAYANTHI NATARAJAN: Sir, I listened with great respect, to Mr. Jaipal Reddy. But there is a deep undercurrent of pessimism and depression in what he said.

I sat here and I was listening to every word he said. If he is right, the country has to close shop tomorrow. Or it should have closed shop on the 15th of December when the GATT talks came to the conclusion. If what Mr. Jaipal Reddy says is correct, then, Sir, our farmers cannot export anything, our agriculture is doomed, it is going to come to a grinding halt, our people are going to die of diseases because nobody is going to be able to afford drugs that are going to come under the IPR regime. The Americans and the IMF will be coming and sitting over here and directing us.

AN HON. MEMBER: They have already come. They are already here.

SHRIMATI JAYANTHI NATARAJAN: If that is what you believe, I feel sorry for you. According to them they are going to come over here; what will happen to us, what will happen to our investment? I must say, Sir, Mr. Reddy was accusing the Government, accusing all of us of being defeatists, of throwing our hands and surrendering. I want to turn around and accuse all of you of being totally defeatists. Is this the faith that all of you have in the country? Is this what you think India is all about? I think they should look at it in a more rational way.

They should see whether this is good for us or not. They should weigh the pros and cons. They should not simply cry and say that we have surrendered our economic sovereignty, that we are on the knees, that from tomorrow everything is going to close down. I do not think this is the right attitude. I urge upon the hon. colleagues to kindly bear with me. I am by no means an expert in trade, in commerce; by no means an expert in agriculture, in TRIMS, in intellectual property rights, in natural gene forms. I have definitely not done research on the subject and I will not be able to engage on the level of debate that Mr. Singh, or Mr. Reddy have engaged but I do stand up boldly and say that today there is a vital need in the country for every one of us not to be ignorant of what the GATT talks are. There is the need for all of us to know what the Dunkel Draft is all about, what the GATT talks are all about, to know the implications of this Dunkel Draft. I can say this because I know that the Dunkel Draft has become today a *mantra* of the Opposition. This is the latest stick to beat the Government with. This is the latest bogey, to a common man, and to cry and say that untold misery, dire consequences, are waiting in the veins for them. This is like waving a flag and saying that the Government is going to bring ruination upon the common man. On the one hand, it could be as mythical, as atrocious and ridiculous as the Harshad Mehta's case and, on the other hand, it could be true if what the opposition says is right that the Government is leading us irrevocably and terribly to complete economic surrender and from henceforth the country will never be economically independent again. Sir, despite the indication to the contrary, I refuse to believe that my colleagues on the other side, that the opposition in this country, could be so criminally irresponsible as to politicise an important issue like the Dunkel Draft. They are simply crying wolf on totally wrong grounds that the Dunkel is an unnecessary surrender—all totally baseless grounds. But even more important; I wish, my hon. colleagues from the other side had given Government, had given all of us, an iota of the kind of trust and confidence that I am showing in them.

Before I go any further, I want to point out one thing. I have heard all this rhetoric. I had heard the debate last time. This is the third time that the Dunkel Draft and the GATT talks are being discussed in this House and elsewhere. Time and again, endlessly these discussions have continued. But I can assure my colleagues over here that I have put in my sincerest efforts and spent long hours in trying to understand these proposals. No one, neither Mr. Reddy nor anybody else who has spoken before him, nor the experts who have been quoted, has ever come up with a single alternative. I am a layman. I want to reiterate it again and I will say it again during the course of my intervention.....

SHRI S. JAIPAL REDDY: You are a layperson.

SHRIMATI JAYANTHI NATARAJAN: .that I do not claim to be an expert.

SHRI MENTAY PADMANABHAM: Man includes woman.

SHRIMATI JAYANTHI NATARAJAN: But I have got a simple question to self-professed experts, to the people who criticise that India has, according to them, surrendered in the GATT round of talks. I want to know the alternative.

Sir, I want to say something very strongly over here. I do not like to hear the defeatist talk. I do not like to hear people say this, and I know that this has been said on many sides that India has only .04 percent of the world trade, that we need the world, that the world does not need us, that we do not have any choice but to join the GATT, that we do not have any choice except to stay within the GATT and that, otherwise, we will be totally isolated. I think, it is not correct. I think, India

[Shrimati Jayanthi Natarajan]

is equal to any other country in the world. I think Indians are second to none in their self-respect, in their patriotism, in their love for independence and sovereignty, and no power on earth can coerce us or force us into conceding these rights. Neither the USA, nor the Dunkel nor the GATT can do so. I think, I speak for every individual man, woman and child in this country when I say that even if it means that we will be left alone in the world and even if it means that we will have nothing left in the world, we will first fight to cherish our independence that has been so hard won by our forefathers, by the founding fathers of our nation.

Sir, having said all this, having said that our sovereignty is more precious than anything else, having also admitted, and I freely concede, that if bush comes to shrub, if it means that we have to give up our sovereignty, should we join the rest of the world or stay alone? I for one will say that we should stay alone because surely the world also has to lose by losing the valuable contribution of 850 million people in India. So, I and my colleagues on this side are second to none in saying that India will remain economically sovereign, sovereign in eery way, and our precious birth-right of freedom and independence will be protected until our last breath.

Having said all that, Sir, I want to ask of the Opposition something. We are not a nation of traders. We are not looking at the balance sheet. We are not saying that this is profit and this is loss. It is also a wrong approach. I readily concede that trade takes importance over everything else and that we have to see the balance sheet. We are a nation of the Buddha. We are a nation of Mahatma Gandhi. We are a nation to whom our self-respect is more than anything else. But should we cut our nose to spite our face? Supposing that it is a compelling necessity literally for us to stay within the GATT, for us to stay within the multilateral system like the GATT, and supposing that this is the conclusion that we have reached by our autonomous decision-making, just to prove a point to the Opposition or just to prove a point to somebody else, should we stay out of it? I have not heard a single argument in favour of why we should stay out of it and what problems are going to come up. But, how are you going to face the future? This is my simple question as a lay person.

I know, there is shortage of time, and I am going to be very brief. In my opinion, it is genuinely and compellingly in our interest to remain in the GATT. Secondly, accepting the proposals in the form in which they are embodied before us today is by no means, no matter what the attempts at publicising the issue will lead to, a surrender of our economic sovereignty or any other kind of sovereignty.

Thirdly, as rational and reasonable human beings, we have to concede the fact that any process of negotiations consists of give and take. The intelligence of the negotiators depends on how much they take and how little they give. If it means that everybody cannot go and negotiate, fortunately or unfortunately for the country we are now in the Government. Therefore, it is our responsibility to do it. Had my colleagues from the CPM been in the Government, they would have gone there and done it, and we might have been criticising them.
(Interruptions)

Sir, the fact is that West Bengal will be the last Government in the world to celebrate communism. Fortunately for the country you are not in power. We are in power. We will take a decision.
...(Interruptions)

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Don't disturb.

SHRIMATI JAYANTHI NATARAJAN: We will take it to the people also. We will take a decision. We will take the responsibility. Somebody has to take a decision. Just because you disagree with the decision, it does not mean that the decisions are wrong? We take the responsibility for these decisions. We believe that they are in the compelling national interest. What is more we will show to the country that they are in the compelling national interest to accept these proposals. At this point I want to place on record a piece of appreciation for what our negotiators have done. I think in all the rhetoric we completely lost sight of the tremendous achievements that our negotiators at GATT have earned. We all know that even according to the GATT Secretariat, the maximum increase in trade because of the conclusion of the GATT round of talks is going to be in the field of agriculture, is going to be in the field of textiles and cotton. These are the fields where the greatest benefit to India is going to come. So, I want to place on record my appreciation of the tremendous job of negotiations that our representatives have done over there. It was not an equal negotiation. There was no equality in the GATT negotiations. It was an unequal negotiation. There were countries which were far more powerful than us. There was a tremendous amount of pressure. There were a great deal of concessions that we had to make, but the fact remains that our negotiators did the best job they could. I would like to again point out that we should not be defeatist about it. If you had an alternative suggestion, you could have given to our negotiators. It was open to anybody to give suggestions. I think in the circumstances they did the best job they could.

I have only one problem on this and this is what I want to understand. Perhaps we could have made a little greater effort in one direction. That was where we probably did not mobilise as well as we could have with other third-world countries and developing countries to bring pressure on the developed countries and the GATT. I know there were drawbacks. I read press reports, I read reasons why this could not be done. I know that 37 or 38 developing countries were there together. Many of them gave in to the pressure of the developed countries. But this was the valuable experience that we gained. It is not something we should be blind to. I think with the terrible experience that we have gained, we should put that experience to good use in the future. I think India with its history has, with all the pride of 850 million people behind it should take the lead in mobilising developing countries against the pressure of the world. This is what we have to keep in mind for the future.

In the ultimate analysis I would say it is obvious that multilateralism with its drawbacks is far better than entering into isolationism. I conceds the drawbacks, but there is no such thing as a perfect world. The world is not going to be perfect according to our specifications. Therefore, with all its drawbacks, I think, multilateralism is the best answer to India's problems.

The one indication that we have is that we perhaps are not the only despirate State as some people would wish to make out. It is a fact that at the conclusion of the GATT Rounds nobody was rejoning It is not as if the Americans are dencing with joy or the European countries are dancing with joy. In all humility I want to submit that the critics of this are being unnecessarily looking at our problems. Look at the rest of the world. Nobody is happy. The Japanese Cabinet took the unprecedented step of apologising collectively to the farmers of Japan for having op-

[Shrimati Jayanthi Natarajan]

ened up their rice market. The Japanese are not thrilled for the conclusion of the GATT. The Americans feel that because of the phasing out, in ten years 2 million jobs will be lost. The worst is hit are the Europeans who have to drastically reduce their subsidy in agriculture. The Europeans are not happy at all at what happened. Nor are we happy. I am not saying that this is the best thing that could have happened to India and the whole world. What I am saying is that as a rational decision, where we have to trade, we need foreign exchange, every Indian is prepared to fight until his last breath for independence, but we need billions of dollars of foreign exchange, I have got all the figures over here. We need six billion dollars for petroleum imports. We need 10 millions for raw materials and capital goods and defence equipments. Our economy itself needs 20 billion dollars to keep itself going. All of these cannot be printed by the Reserve Bank of India. It has to be earned through exports. The only way we can export and the only way in which we can be a proper exporting country is by accepting certain terms. The only question to decide is whether this is going to be a part of the GATT in a multilateral framework or in a bilateral framework. Our biggest trading partner is or rathe the country to which the majority of the Indian exports go is the United States of America. Out of our total exports, 19.4 per cent go to the U.S.A. I think the other major countries are: France, Germany and the United Kingdom. I have got the figures here but I do not want to quote them and waste the time of the House. Now the question is should we stay in the multilateral framework like the GATT with all the problems and advantages or should we enter into 108 bilateral treaties with the USA heading the list? They are going to twist our arms on NPT. They are going to twist our arms by imposing Super-301. They are going to twist our arms on the human rights issue in Kahmir. Only then they would consider entering into a bilateral treaty with us. Is this what we want? What will happen to our precious sovereignty? If we are going to enter into 40, 100, 107, 117 bilateral treaties, what would happen to our national interests? This is no answer. Is it correst in any way to raise this bogey of economic sovereignty of the country at the drop of the hat? (*Time bell rings*) Please give me one or two minutes more and I will conclude.

On the issues of vital importance in a discussion relating to the GATT, Members have already dealt with them at length and I do not want to take the time of the House. They are: Agriculture, Intellectual Property Rights, Patent Rights, particularly pharmaceuticals, TRIMS, patenting of genes, micro organisms. Two-thirds of our people live on agriculture. Speakers before me have already dealt with major issues relating to agriculture. They said that domestic subsidies in India will not be affected because we are well within the 24 per cent or 10 per cent limit. Even in areas like where there is a positive subsidy like sugarcane and groundnut, it is so low that it will not come int the ceiling imposed by the GATT. Tariffication agai will change our balance of payments position. To the best of my understanding, this minimum access to outside agricultural products, we have saved by the balance of payments position.

Sir, Mr Jaipal Reddy referred to Mr. Sharad Joshi. I know that there is a shortage of time and I do not want to quote from Mr. Sharad Joshi's documents. I presume that he is a person of some responsibility. He goes to the extent of saying that—at any rate I assume that he knows better than I know — those who abuse the Dunkel Draft in relation to agriculture are those who have not read it. He further said that there is not a single anti-farmer sentence in the Dunkel Draft. Now we don't have to take what Mr. Sharad Joshi says as a gospel truth. I would call upon any of my friends sitting on the other side to point

out a single sentence in the recently concluded GATT talks which is anti-farmer for my information, not as a measure of debate. I want to be enlightened... (*Interruptions*). ..After I finish you can point it out. Mr. Som Pal is ..... (*Interruptions*) ....After I finish you can point it out.

SHRI SOM PAL: Okay, after some time. On the floor of the House or outside.

SHRIMATI JAYANTHI NATRAJAN: After I finish.

SHRI SOM PAL: I can quote many.

SHRIMATI JAYANTHI NATARAJAN: After I finish, you can point it out. (*Interruptions*)... Let me finish.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): After her speech.... (*Interruptions*) .

SHRIMATI JAYANTHI NATRAJAN: You should quote from the GATT.

SHRI SOM PAL: From the GATT Agreement, I say... (*Interruptions*)...

SHRI H. HANUMANTHAPPA: (Karnataka): The challenge is from the Dunkel Draft, can you show us a sentence which is anti-farmer Don't give us your views or your version.

उपसभाध्यक्ष श्री शंकर दयाल सिंह) : जयन्ती जी, आप उसमें मत इन्डलज कीजिए। आप खतम कीजिए ।

Mr. Som Pal, please take your seat.

SHRI SOM PAL: Mr. Vice-Chairman, I would refer to only two things very briefly.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Som Palji, pleased take your seat: Jayanthiji, please conclude now.

SHRIMATI JAYANTHI NATRAJAN: I have only two more points. One is with relation to drugs. I have heard with great interest what Mr Vishvjit Singh and Mr. Jaipal Reddy said about product patents and process patents. I must confess that I am only interested in one thing. I am sure that the rest of the country is also interested in only one thing. I wat the Commerce Minister to clarify this. It is a very wrong approach. I say, with great respect, that it is a very wrong approach to say that only 12—15 per cent of the drugs are patented drugs and rest are off-patent. I think somebody else in the other House said that only 30—35 per cent of the Indian population had access to healthcare and therefore, it did not matter. The words may not be exactly the same. But they implied that only 30—35 per cent of the Indian populatoin had access to health care and therefore, the rise in the prices of drugs, even as much as 45 per cent, did not matter. This is not correct. I think it is absolutely vital. To say that there are only 12 per cent of drugs which are patented and even for these drugs, there are alternative which are off-patent, is a wrong approach. If a patent extends for 20 years, off-patent drugs after 20 years are going to become completely obsolete. Is this the kind of drugs we are going to give our peple? Any off-patent drug, any 'alternative' drug, is going to be at least 20 years old. Is this what you are going to dump and load on the population? This is not correct. I want the Commerce Minister to kindly clarify this. I think it is very important that we take into account the rise in the prices of drugs. If it is going to go up by 45 per cent, what will happen to even the 30 per cent of the population which has access to allopathic drugs? I want to know what you are going to do.

Then, compulsory licensing is, again, a mystical subject to me. I only understand one thing. That is, in compulsory licensing, in very, very simple terms, in lay terms, we have to run to the owner of the patent. Compulsory licensing in national interest, in public interest and in a national emergency is very well. But if we have to run to the owner of the patent at all times, I think we are going to be in trouble. I want the Commerce Minister to kindly clarify whether we have to go to the owner of the patent before the compulsory licensing is allowed.

There is one more point. I know that the hon. Commerce Minister, Mr. Pranab Mukherjee, has assured in the other House that our public distribution system will not be affected by this. He has made specific statements on the floor of the House. I want that the Government should get a specific assurance from the GATT Secretariat that our public distribution system will, in no way, be affected by the conclusion of the GATT negotiations. This is what the report of the Department-Related Standing Committee on Commerce has also recommended. I would endorse and urge the recommendations of the Standing Committee's report in this respect.

Then, I think nobody, so far, to my knowledge, has considered the impact of of the GATT rounds on environment. I feel, for instance, the masive expansion of trade will radically undermine the commitment to environment-sustainable development in our country and elsewhere. Then, the deregulation on countless items, particularly, timber, is going to deplete our already scarce natural resources. One thing we have to remember. India has a natural-resource-based economy and in all these years of development, we have tended to ignore our natural resources. Most of our exports are based upon our natural resources like jute, coffee, timber, marine products, ores and minerals. Most of our exports are based upon natural resources. We have to see the environment component. We have to see that the impact of the GATT protects the environment component of our economy. Otherwise, we are going to be in very, very serious trouble. Then there is...(*Interruptions*).

SHRI S. JAIPAL REDDY: Could I supplement her, Mr. Vice-Chairman? There is an environment angle which I did not touch upon. Our exports can be stopped in the West on the ground that our exports do not meet the sanitary and phyto-sanitary standards.

SHRIMATI JAYANTHI NATARAJAN: I urge upon the Government to kindly consider the environment component, particularly because with the Green Revolution|||(*Interruptions*)... land being eroded. More and more cash crops will be concentrated upon rather than cultivating staple food items and this will bring about greater problems in the rural economy. Finally, because of TRIMS, we have opened up our economy and invited foreign investment in any sector, whether core sector or anywhere else. You have multinationals like the Union Carbide and we all know that multinational companies in the U.S.A. ...(*Interruptions*)

SHRI H. HANUMANTHAPPA: Mr. Reddy, even for that, as a "Most Favoured Nation," we have a remedy for the settlement of a dispute. We can take it up. (*Interruptions*)

SHRI S. JAIPAL REDDY: There is a dispute settlement mechanism.

SHRIMATI JAYANTHI NATARAJAN: I am concluding.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Why are you allowing other Members to speak on your behalf?

SHRIMATI JAYANTHI NATARAJAN: I am concluding, Sir. Sir, as far as the TRIMS is concerned, we have the right to decide in which area foreign investment will be directed. But while deciding that, I would urge upon the Government to make sure that multinationals, which are notorious for lack of safety standards outside their own countries—44 per cent less they spend outside their own country—we have the terrible example of Bhopal—take into consideration the safety standards while at the same time, encouraging invesment in certain core sectors. Sir, Mr. Hanumanthappa just referred to the dispute settlement mechanism. Yes, there is a dispute settlement mechanism in GATT. But we also know that ever since GATT came into being in 1947 or 1948, only once. India has taken a dispute to the disputes settlement mechanism of GATT in 1964 on some minor matter about steel industry. I think myself that we have to take the disputes settlement mechanism more se-

riously; take it and make it work because, in the ultimate analysis, it would be better fer us to wake up and be a part of the world than to live like a frog in the well as if the rest of the world does not exist. Thank you.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Mr. Moturu Hanumantha Rao. (*Interruptions*) Here is the name of Mr. Hanumantha Rao. Mr. Ashok Mitra.

SHRI ASHOK MITRA (West Bengal): Sir, I rise to speak on this matter not in a spirit of rancour or a sense of bitterness about what the Government has done. Of course, I feel unhappy that certain decisions, which ought not to have been taken, have been taken. But as a patriotic, conscientious Indian, I still think it my duty, even at this stage, to offer some suggestions to the people of our country, to the Government and my suggestions would be along two tracks. First, I would hope that the Government would heed to the advice of some of us that even at this stage, there are ways of retacting from the final treaty. We know what has happened. The G-7 Natlons are riven apart. The United States is fighting with Japan; the United States is fighting with West Europe. There are problems and tensions within each country because they are suffering from recession and their interests are not convergent. I would say that even at this stage, we can still tell the GATT authorities that we are not ready, the world is not ready, Japan is not ready the West Europe is not ready and the United States is not ready because its administration is having its problems sorted out with the congressional leaders. So, it makes sense to postpone the ministerial meeting at Morocco scheduled for next month by another six months or eight months and meanwhile let negotiations be resumed. Why do I say this? I say this because, in any case, all of us, even including the Government, have explictly or implicitly, agreed that the agreements that we have signed, represent a certain diminition in our economic sovereignty. Decisions relating to production, decisions relating to distribution, decisions relating to pricing within our country, on our soil, would not longer belong to us. They will belong to foreign organisations, including the multinational corporations. And what is apology offered by the Government for agreeing to this kind of arrangement? So, the demoralisation the Government will not quietly confess in this manner, but one can read what is going behind the Government's mind. It is a unipolar world. The G-7 nations are ruling supreme. We have to listen to them; otherwise, there is no alternative. We are at their mercy. The point, my friend, Mr. Jaipal Reddy, mentioned is that even eihgteen months ahead of time, eighten months ahead of 15th December, 1993, we just signed the dead of surrender. We said in advance that we were gonig to sign the Treaty. In other words, it is going naked in the words of Nye Beran, into the council chamber. We already gave up our case. In fact, we had given up our case even earlier in April, 1989 when the then Prime Minister made some mjaor concessions in the matter of services. But all this was not necessary. This is what I would like to humbly suggest to my friends on the other side that all this was not really necessary. Let us take our mind back to Article 1 of GATT, the very first Article of GATT. It was a very unusual Article, a protective Article. What does it say? It says, "No decision can be imposed on GATT unless all the Members agree." Now through the Dunkel Treaty a new set of decisions—was sought to be imposed on the GATT-members. If one member had held out that member could have been India, that member could have been Brazil, that member could have been Meixco, say any member, we could have held up the entire negotiation. It would not have legally carried at that stage. That was our opportunity, that was our chance, that was our strength, that was the occasion when we could have worked out an alternative. We

could have told the GATT Secretariat, "Sorry, we do not agree with respect to the provisions of agriculture, we do not agree with respect to the provisions with respect to the Intellectual Property Rights, we do not agree with respect to what you want to impose on us in the matter of services and investment. So you have to concede to us this, this and this. And they would have come down. That was the alternative. That alternative our Government did not take. I am not a psychologist. I do not know why the Government chose to forsake that path. It was perhaps demoralised. And its demoralisation has caused the nation very heavily, I think, I should also mention here something else that happened. It is a very sad story, a very sorry story, an episode that occurred. Yet, I should mention this. Negotiations are going on our behalf and one of the principal negotiators on our behalf, on our side, suddenly switched sides. He was offered a job in the GATT Secretariat. It was not proper. I think it was for the Government to step in I have very great respect for the particular civil servant, I have very great respect for his abilities, but he should not have been placed in this position of embarrassment by our Government. He was carrying delicate negotiations on our behalf, protecting the interests of the nation. Suddenly he switched his sides and joined those with whom we were negotiating. This is not proper. This is not fair to that gentleman. But this kind of thing has happened because of the atmoshpere of demoralisation that is there. I have seen the statements of the Government. They say, "Yes, we have conceded here and there. But look at the brighter side of it." What is the brighter side? They say that there would be immense gains in our export trade. I have seen the most authoritative projection about the expansion of world trade. This was a joint study by the World Bank and the OECD. Both these organisations are very much in favour of the Dunkel Treaty. Therefore, one cannot say that this particular projection has any bias. What does it say? By the year 2002 A.D., global trad weill expand by 213 billion dollars. How much will India gain? India will gain 4.6 billion dollars Now let us do a little bit of arithmetic. How much is the 4.6 billion dollars in rupee terms? It would be roughly Rs. 15,000 crores. Now our present volume of annual export is roughly of the order of Rs. 60,000 crores. How much is Rs. 15,000 crores? It would come to 25 per cent. As a consequence of our signing the GATT Treaty, our exports would go up by 25 per cent in eight years. What is the annual rate of growth? It is hardly 2.5 per cent per annum. Our Commerce Minister is taking credit for the fact that our exports are currently growing at the rate of 20 per cent. So, what are we getting from GATT? It is nothing but a pittance. Let us not forget the plight of the rest of the Third World countires. Africa, as a whole, will not gain from GATT. It will lose 10 billion dollars. The entire South America will gain only 8 billion dollars. Out of these eight billion dollars, four billion dollars would be on account of Brazil. Among the South Asian countries, Indonesia will lose two billion dollars. Then who would be the gainers out of this 213 billion dollars?

West Europe would gain 80 billion dollers. The United States would gain 20 billion dollars. Japan would get perhaps 20 billion dollars. Then China would got something in the regoin of 37 billion dollars. In this kind of a scenario one should try to retain a sense of perspective. What are we getting? What are we surrendering and what are we getting? This has been a very, very raw deal which our government has inflicted on our people. But having done that, can we do anything about it? Here I would say even at this stage, "Let us halt." Let us write to the GATT authorities, "We have got these problems. There are problems within the country." Sir, this is not something which is extraordinary. When the US Government sign an international treaty, it is subject to a proviso. And that proviso says, "We will make our best endeavour to see that our legislature accepts the

contents of the treaty. But we cannot commit on behalf of our legislature. We can only make our best endeavour." We have the precedent of the US Government. We can also go back and tell the GATT authorities, "Yes, we have signed the Treaty, but our legislature has got some reservations, our people have got some reservations. We are going to take a second or third look at the provisions and we will let you know about it. We have signed it in good faith. But our best endeavour may not pass muster in the legislature." Then you cannot blame us. When you did not blame the US Government, how can You blame us? You cannot pick and choose between the members.

Now about the specific provisions, my friend, Mr. Jaipal Reddy; has already covered the ground very extensively. On one or two matters, I would like to add to what he has said. I know the Government has gone to great lengths to draw the attention of our countrymen to a particular footnote which, according to the Government, makes our agriculture and public distribution system, safe for ever. I will read out that particular footnote. I am not used to carrying loads of learning. But I can reproduce the next of that footnote . "For the purpose of paragraph 3 of the annexe. Governmental stock holding programmes for food security purposes in developing countries whose operation is transparent and conducted in accordance with the officially published objective criteria or guidelines shall be considered to be in conformity with the provisions of the paragraph including programmes under which stocks of foodstuff for food security purposes are acquired and released at administered prices"—now comes the catch—"provided that the difference between the acquisition price and the external reference price is accounted for in the Aggregate Measurement of Support." What does it mean? It means, yes, you can maintain food stocks and you can distribute food stocks; you can acquire food stocks, but when you acquire food stocks, the defference between the price at which you acquire and the prevailing international price or the border price must not exceed 10 per cent. Now, I have seen the Government's statements that in the last few years our domestic prices, even after paying subsidies, were below the international price, etc. etc., this was so even after considering subsidies. So why should we bother? But the fact is that we are globalising our prices. Our internal prices are approaching international prices and, very soon, there will be a time when there will be hardly any difference between the domestic price at which we acquire the products and the international price at which they were imported. At that juncture, if we want to offer subsidy to our farmers, then, according to the Treaty that you have signed, that subsidy of the prevailing market price must not exceed 10 per cent. That will be the problem. And I do not know when that time will come, whether it will be five years hence or ten years hence. There is a second issue that is involved. We can acquire food stocks; we can distribute food stocks to our people, but the final Treaty specifically says that we cannot use the stock of foodgrains to bring down the market level of prices; we cannot use food stocks for market intervention. So, the prices may soar and soar in the open market. You may have 25 million tonnes or 30 million tonnes of stocks of foodgrains but you cannot use these stocks to bring down the level of prices. This is an issue which we ought to ponder over. Then there are questions which have been referred to several times; the rights of our farmers and the rights of our scientists: vis-a-vis the rights of the so-called breeders; who are often represented by various overseas or multinational agents. you say that there is a provision under which you can set up our *sui generis* arrangement and apply to GATT or MTO which must endorse whatever protection you want to offer to your scientists, to your technologists and to our farmers. This provision has a great deal to do with the change in the organisational structure of GATT which the Dunkel proposals envisaged. Now I referred to article 1 of GATT whereby any single member of GATT could have exercised veto power. As long as that member does not agree, GATT does not proceed. But in the case of the new organisation that is being set up, MTO or NTT or whatever you

call it, if I make a petition to it, whether my petition will be accepted or not will depend on the two-thirds majority. If we apply for *sui generis* status and two-thirds of the GATT members say, "No, India's case is not to be entertained", then our request for *sui generis* status fails. This state of affairs has not yet come about. It will come about only if the Ministers in Morocco signed the final document. Once you sign the final document, then each and every treaty that we make will be subject to ratification by the two-thirds of the GATT total membership. If two-thirds majority do not ratify, your petition fails. There is a further provision to which I think hon. Members' attention should be drawn and that is this. If we say, "Sorry, we cannot agree to a particular decision which MTO or WTO has made, our national interests, our public interest, our national dignity, our national traditions would not allow us to accept this proposition that you are handing down", and we defy the new organisttion, then three-fourths of the members can decide that we be expelled and thereby we would be deprived of the Most Favoured Nation treatment. These are the things which we have not yet signed but which we are supposed to sign in future. Should we do this? Should we not take a final look? Should we not tell our people that these are the implications?

Forget about agriculture or *sui generis* arrangements. Let us come to the Intellectual Property Rights. Here again, it means disaster for our scientific investigations, for our technological investigation, for our chemical industries, for our pharmaceutical industries, for our biochemical industries and so on. We know all that. We have discussed them threadbare. At his stage, I would assume that we are forced to agree to some sort of an agreement. But how can we protect ourselves? I am making this suggestion to the Government with all the humility that I possess: There is no use crying over spilt milk. You have committed a major blunder. How do you wriggle out of that situation? Try to create as many—what is that word? This happens with old age. You forget a very simple term—try to create as many new anti-trust legislations as possible. Strengthen your anti-trust legislations, strengthen your anti-monopoly laws so that, then, all this becomes a part of your existing system. We have ten years. Within these ten years, you strengthen your anti-monopoly measures, our anti-trust measures. Then it will become a part of the public domain, a part of your public interest regime. And at the end of ten years, we can turn to MTO and say, "Sorry. These are our things. These are tradition-bound and we cannot let go of them. These are a part of our Indian system, these anti-monopoly and anti-trust measures." You know the kind of problems we are going to run into here because our Ministry of Finance would be for liberalisation, our Ministry of Finance would be for letting go to anti-monopoly policies and letting go of our anti-trust legislation. Therefore, the battle has to be fought within the Government, trying to persuade some branches of the Government, "Enough was enough. We have followed a certain prescription for a number of years. But if we want to save our industry, if we want to save our technology, then the way to go about is to build our national bulkwork against this threat from outside."

I would make a similar suggestion with respect to patents. Just we leave it to our own scientists and technologists. Tell them, "You have ten years. In the course of these ten years, you set up Indian patents, as many patents as you can." Should we establish precedents for our patents and what happens next. Let us also offer finance and offer legal assistance to our entreprneeurs, our scientists, our technologists to seek patents in Japan, in the United States, in Europe, may be in Moscow, so that we have a network of Indian patents all over the world, and we say that these are the patents which are a part of our enshrined arrangement and we are not going to let go of them irrespective of whatever may be the provisions of the Dunkel Treaty or the GATT.

We have made other concessions. We did not wait for even that signing of the Dunkel Treaty in the area of services and in the area of investments. It is all unilateral. We must allow the

services from the Western countries to have an unrestricted entry into our country, but we cannot impose any conditions on them. We have heard about all this. Forget about our unskilled workers. Even our skilled workers, engineers, medical practitioners and nurses, as you know, will be subject to American or European Immigration laws. Now, this is called equal access. Equal access' is a very nice expression, We must have a liberalised world. But, if access is fitted in only one direction and we are only at the receiving end and not at the giving end, then what sort of world are we heading to? Again, mind you, most of the services' particularly the financial services have not yet been agreed to within that GATT because the West Europeans have strong reservations *vis-a-vis* the point of view of the United States of America. But we have already surrendered, we have already accepted. We did not wait for the final round of discussions in the matter of services as well as in the matter of investment. Any kind of investment can come in now, and no conditions. We cannot say, "No, we will shut them out from this area or from that area.' We cannot impose any conditions that they must export 20 per cent or 30 per cent or 40 per cent of what they produce. We cannot say that they must use local raw materials and so on. This is all unilateral. It is a matter where we have to see whether we are in a position to re-establish our role in the global market, in the world polity.

I was a little bit amused to see a headline in a newspaper today or yesterday 'Now is the need for a Krishna Menon'. What did Krishna Menon do? I know some friends around this House have some reservations about him. Yet, he taught us how to hold our head high in the comity of nations. You go back and read the Wall Street journal and the London Economist of the 1950's and 1960's. Week after week they had obsession with Krishna Menon. We were not economically very strong in the fifties or sixties but we had the international prestige and on the basis of that prestige we could operate and we did operate. Can we regain our finesse in the international economic relationship? Can we resume our friendship with the Third World countries and tell them that it was a bad interregnum, this dreary phase of the past 36 months or so? Now it is our opportunity to go to the Third World countries and resume our talks with them. How to regain our honour, is the issue before us and that is the issue before the nation. Thank you.

SHRI VIREN J. SHAH (Maharashtra): May I request the hon. Minister to answer point by point to what the hon. Member has said, particularly about the option that we did not exercise of opposing the Dunkel proposals and of allowing our ace negotiator to move to GATT and other side and to that extent depriving the nation at a particular point. I hope the hon. Minister will reply to this point also.

SHRI S. JAIPAL REDDY: I made a suggestion in the morning and I would like to repeat it. I suggest the Minister replies to the debate on the 15th because he will be able to answer better and we will be able to listen better and the world will be able to listen to him better.

श्री संघ प्रिय गौतम (उत्तर प्रदेश) : उपसभाध्यक्ष महोदय, मित्रा जी ने कुछ ऐसे सुझाव दिये हैं जिनके बारे में मंत्री जी प्रधान मंत्री और कैबिनेट से सलाह मशिवरा किये बगैर जवाब नहीं दे सकते हैं इसलिए 15 को ही जवाब दें तो ज्यादा अच्छा होगा...(व्यवधान)..

उपसभाध्यक्ष (श्री शंकर दयाल सिंह): मंत्री जी सुन रहे हैं, आप बैठिए।

जल भूतल परिवहन मंत्रालय के राज्य मंत्री (श्री जगदीश टाइटलर) : आधे से ज्यादा चीजें ही गलत बोले हैं।

SHRI SANTOSH KUMAR SAHU (Orissa): I have been listening with rapt attention to all the speeches on this critical issue of the Dunkel Draft. To my mind, when I recall all the speeches, I imagine that we are between the devil and the deep sea. We are at a critical juncture of the economic history of the world. When we are navigating through the high seas, we know there is a circuit called the Bermuda triangle where we have to take strong decisions. If we want to

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commit suicide, as we find ourselves between the deep sea and the devil, then we have no chance of survival. What we have to do is to steer away and survive in this world. The economic scenario of the world has undergone a change. No more are the days of 'fifties or 'sixties or 'seventies. There are new compulsions and a new situation is arising. After the collapse of the Soviet Bloc, the bi-polar economic system and relationship have disappeared and now the uni-polar world is thinking of multilateral trade regulations.

At this juncture, we must think as to how we can steer ourselves under the multilateral agreement, how we can press our points and, at the same time, survive. If we do not raise ourselves to the standards of international competitiveness and advance our goals, national priorities and strategies, perhaps, we will be nowhere in the world.

Sir, I would like to point out, in this connection, that the Standing Committee on Commerce examined the Dunkel Draft. It had evaluated all the problems, critically analysed them, and their recommendation was that while India must safeguard its interests in the field of agriculture, textiles and intellectual property rights, we cannot, at the same time, move away from the G.A.T.T.; we have to be under it, safeguarding our priorities and national strategies.

This is the essence of the problem today. G.A.T.T. has a long histroy. It started in 1948. It was an agreement for international trade. Its form was different then. It was not what it is today. Today, we must take into account the new economic scenario. We have a uni-polar world today. The trade negotiations have to be conducted under the uni-polar system.

What is the alterntaive today? The question before us today is, have we endangered our agriculture by such negotiations? Of course, there is no doubt that it has to be safeguarded. My colleague, Mr. Vishvjit Singh has rightly pointed out; he quoted the relevant provisions. From this, it is seen that it is only the developed countries which would, ultimately, suffer by decreasing their subsidy on agriculture and not we, the developing countries. When we analyse the history of G.A.T.T., we see that it started in 1948. The Agreement was entered into at Geneva. Then came the Uruguay Round of talks. Ministers met. They discused it and they included many new things. Then, the European Economic Community wanted that certain things should be amended. There was a difference of opinion between the United States of America and the E.E.C. The negotiations were suspended.

Today, a new situation has emerged. Now, 103 countries are signatories to the new G.A.T.T. Treaty. We cannot isolate ourselves from this. This is the right time. At the same time, as everybody has stressed, we must stand on a firm footing. We must safeguard our interests. Our future perspectives and our strategies have to be reconciled and pressed home.

What is more important here is—it has been pointed out by Mr. Ashok Mitra, who is a renowned economist—this G.A.T.T. Treaty has brought unhappiness to the developed countries like the United States of America. France objected to it. They were pressurised by the farmers' lobby there to put forward certain demands. There were negotiations between the United States of America and Japan. They failed to arrive at any conclusion.

Sir, the world is presented with a different scenario than what it was yesterday. When it was a bipolar world, when the socialist bloc was there, there was a definite strategy to help the developing countries of the world, which were called the Third World countries. The Third World countries have to combine together to press home their points, for the proper economic development of

their respective countries. At the same time, we must not forget the neo-colonialism, the neo-imperialism. We should keep this in mind and safeguard our interests. This point should be remembered and we should conduct the international trade negotiations on this firm footing.

Sir, the Members from the Opposition have not properly analysed the Dunked Text. They want to create a situation of bias against it all over the country. What is the need today? We must all sit together and we must point out at to what should be done.

These negotiations hae been going on for a decade. It can-

9 P.M. not be finalised within a short span of time. There are views and there are points which have to be firmly put, and we have to bargain and negotiate at the table so that other developing countries of the world will completely realise it, come to oppose it and firmly put their point. That is what Panditji told the non-aligned nations. Economic liberation can come only from that. It is only natural that in the GATT the developed countries will try to pressurise the developing countries to accept thier views, their economic viewpoint. The developing countries of the world are much more. Out of 103, probably two thirds belonging to the developing countries, have to combine. People want and this country wants that India must take the leadership, as it has taken in the non-aligned movement, to put the view of all the developing countries of the world so that their economies will also prosper. After all, international trade or any other trade is important to any country for bringing more economic happiness to the common people of the world. We cannot neglect it. This is of primary importance. It is also important that we should incorporate our viewpoint in the GATT. Rightly, the Government of India has tried to put agriculture on a safe side and has given emphasis to export. There are no two opinions that without augmenting our exports, probably we cannot augment the economic forces in the country. Foreign investment is necessary at critical points of our industrial development. For ages we cannot close our eyes and live in isolation. That is the lesson of the world history today. If we close our eyes to scientific and technological development, probably the economic development will be sluggish. Mahatma Gandhi's famous quotation is, "I want to keep my windows open so that winds from different directions can come in." But he has cautioned one thing, "Let me see that my good is not uprooted by this process." So, that is the point. No country can afford to lose its own economic strategy and priority. We have to safeguard that.

I would like to deal with one thing Mr. Vishvjit Singh has dealt with agriculture, subsidy and other things in detail. When Mr. Chidambaram was the Commerce Minister, he said one thing, "Thirty per cent of the Indian population has the facility of modern, up-to-date medicine. If the prices go up five to ten times by this proposal, probably this 30 per cent will also be deprived of the same because its cost will be so high." Of course, the Government of India has said that it will be higher by 45 per cent be complete safeguards will be made.

I agree with what Mr. Mitra said that India must now, in this ten-year critical period which the GATT has permitted to develop our patterns, must give a lot of emphasis for scientific and technological development and create patents of India which will go to the whole world. India has talented scientists. If we give attention to this and if the Government gives the impetus, probably in many things in the scientific and technological field we can go ahead of many other countries. That will go a long way in keeping our finance high.

Actually, if we see different reports, what is the fate of the history of India? If we see 4,000 years, 5,000

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years back, India was spreading the knowledge of the Veda and Vedant in international order, but, unfortunately, in the medieval ages the progress of science did not take place in this country, and other countries prospered. We are at the receiving end now. But now India is the third largest scientific manpower in the whole of the world. We have a rich natural heritage. We have a rich cultural background. We can prepare ourselves to meet international challenges, and we can built up. I think these are important things which will give importance to the GATT, the multilateral world trade agreement. The draft has come. There are many things. There must be a national dialogue, discussions and a national consensus. Discussion and dialogue can enlighten us. We can press it with new points. Probably if we go back, we will be isolated. We know we cannot stand in isolation. The multi-national trade agreement is a must. Bilateral trade negotiations have failed after the disintegration of the Soviet Socialist economy. Of course, we have to be very critical of it, but we must be positive so that our national interests do not suffer. For that we have to negotiate and bargain on every point. We must see that our agriculture is protected. Food self-sufficiency is the pride of our achievements after independence. The production of textiles must not suffer. Similarly, the Services and the Intellectual Property Rights must be protected. These are the basic questions before us today. Whatever we may earn out of foreign exports is not the ultimate goal in the country. But we cannot remain in isolation. If we have to develop our exports and industry, if we need technological exports from different countries, we have to put our own priority. The Prime Minister clearly stated yesterday that the agriculture sector will never suffer if we join the GATT. We must now give emphasis to the development of science and technology. It was Prime Minister Indira Gandhi who laid a great stress on the development of our rocket technology. As a result you know how much we have developed. Even for Polar research we have sent our men. We may have failed, but we have achieved something. We are proud that we are the seventh nation in the world. If we go on giving impetus to technological innovations and if the Government earmarks a certain amount of money for technological development. I am sure India has the brain and the manpower to create marvels. We will not then bow to other countries to give us technology. We should see that we develop it ourselves. That motive cannot be lost sight of under any world trade agreement. So, internally we have to prepare. We agree that GATT is a must. When 107 countries have agreed, we cannot remain in isolation. But to counter its unfavourable effects, we must prepare our internal economy and develop internally so that we can give a competition in the world trade. If we do not become competitive and make our production efficient, we will perish. So, it requires a thorough examination, more dialogue and discussion on different aspects which have been discussed here.

If the prices of medicines go up, it will naturally affect the common man. But, we must also note, as Mr. Vishvjit has said, we are exporting medicines worth Rs. 1,000 crores. That is one of our achievements. So, we have to give more attention to research and to see that the life-saving drugs, which come from other countries and which we cannot manufacture here, must be provided to the common man at a reasonable price. So, what I say is that we need not blatently criticise the GATT. Nor should we say that GATT is the solution to all the problems of India. We must take a via-media. We must participate in the multi-national fora and negotiate in the trade negotiations. At the same time we must be firm on the points which help in the development of India in its technological and scientific fields, and see that our

agriculture does not suffer, but that it improves.

The question of subsidy has been discussed. We can give subsidy only up to a point. The Prime Minister has said that in the Plan we have incorporated eradication of poverty and employment programmes. If it is augmented and other welfare measures are supplemented, the life of the farmers will be better and productivity will also increase. Sir, this point also has to be examined. When there was shortage of wheat in the country, we imported the Mexican wheat seeds. But Punjab has developed a better variety than the Mexican variety. So there is scope for agricultural development in our country also. In the past 40 years India has demonstarted to the world that it can stand on its own feet. We have developed our own culture. We have developed our own science. These things must be protected. The Government of India has rightly appointed a committee on how to protect our agricultural sector. Today we are proud of our agricultural production. We are not going with a begging bowl to other countries. What have we done in fifties, sixties and seventies? We have made rapid progress in all spheres. Pandit Jawaharlal Nehru made a great contribution for modernisation of India. We have reached self-sufficiency in food production. We have reached self-sufficiency in industrial production also. In order to make further development we have to keep our windows open and see that we are not uprooted from our soil. This is what Gandhiji also said. That is the essence of our thinking today. So the GATT treaty can be accepted with a firm footing. India must place its point of view also. There must be hard negotiations. Every country is trying to bargain in the GATT negotiations. For example, France is bargaining in the GATT because of farmer's lobby. Japan and the United States of America have collided on trade negotiations because every country has got its own priority There is nothing wrong in disregarding it So, India also must push through its point of view and fight for the cause of the common man and for further development of the country.

Our exports may give us a temporary gain. But ultimiately we must see that our common people get the benefit. Out of India's 90 crore population, 40 crores of people belong to middle class. So, many of the multinationals are interested in coming to this country to attract the middle class people. So they have a great market potential. How can we increase our own industrial production? I would appeal to the hon. Minister took into the small-scale sector which has perished. So, able guidance and consultancy services should be provided by the Department of Industry so that they can survive. Those who are going in for small-scale industries are not able to survive because of the competition. Their future has been spoiled. They are mortgaging their property. In the case of large scale sector, they have no liability. They need not mortagage their property. We are trying to encourage our young entrepreneurs, uneducated people to start small-scale industries. They should be given some concession by the Government. They should provide excellent consultancy service to the young entrepreneurs to start new small industries.

Traditional industries do require modernisation so that they can compete in the world market We are doing well in the watch industry, jute industry, jewellery, filigree. These industries should be given a fillip so that they can complete in the world market. We can also generate more employment. The common man would get the benefit. When we enter into multilateral agreement, we must see to the small points. The areas which I have suggested would create more employment opportunities in our country and people can live in happiness. I support our being a signatory to the GATT though it is a compulsion. We should enter into multilateral agreements. The days of entering into bilatedal agreements are gone. Thank you

SHRI S. JAIPAL REDDY: He is supporting it under compulsion?

SHRI JAGDISH TYTLER: What about my statement?

उपसभाध्यक्ष (श्रीशंकर दयाल सिंह) : वह लैटर नहीं आया है मेरे पास ।

I am waiting for your letter. We haven't received a request letter from you. But we have a copy of your statement. There is another statement by the Railway Minister. We have received a letter from Mr. K. C. Lenka. So this is the position.

SHRI JAGDISH TYTLER: I will find out.

SHRI KAMAL MORARKA (Rajasthan): Mr. Vice-Chairman, Sir, much discussion has taken place on the new GATT Agreement and the Dunkel proposals. I think my colleagues have very ably pointed out the various provisions which are likely to go against India. Mr. Jaipal Reddy and my friend, Dr. Ashok Mitra have pointed out various pitfalls. I am happy that Dr. Mitra has even given a suggestion at this late stage what we can do to retrieve our position.

I am sure the Minister will consider all these points and I would not like to repeat them. I want to deal with two or three basic and fundamental questions. The first one is that speaker after speaker has said that this new arrangement of the GATT is better for India than the previous one; the exports will rise; India's share in the world trade will go up, etc. etc. Sir, I have to just remind them that in September 1986, when the Uruguay Round started, India's stand was diametrically opposite to everything that the Government now claims that it stands for. At that time, Mr. Rajiv Gandhi was the Prime Minister of India. The Congress party had 400 Members in the Lok Sabha. It was a strong Government, representing the will of the Indian people. Sir, without fear of contradiction, I may say that the stand taken in Punta-del-Este in September, 1986, represented the ethos of the Indian people. At that time, the third-world countries were with India. Brazil was with India; Argentina was with India; Egypt was with India; ten countries like Tanzania and Nigeria stood solidly with India. And, we were able to make America and other countries agree that the original format of the GATT would remasn, that st would not be contaminated, I would like to say, by the addition of matters not connected with trade, namely, agriculture, intellectual property rights, investment and services. After 1986, a world-wide debate has been taking place on TRIPS, TRIMS and agriculture. Till 1988, it was widely believed that this round would fail; fail in the sense that America and other countries would not be able to substantially modify the original GATT. Between December, 1988 and April, 1989, the whole scenario changed and in 1989, the Government of India also had to agree to the introduction of all these elements. This is part of the record. There is no question of contradiction. What happened between September, 1986 and April, 1989? Several things happened. One is that America, by using bilateral methods like the Super 301 and Special 301, armtwisted the various countries, third-world countries, who had stood by India. That is No. 1. No. 2 is, India, which had a very strong Government in September, 1986, had a very weak Government by April, 1989. It was the same Government, it was the same Lok Sabha. But the strength of a Government does not depend on the numbers alone. It depends on the will power of the people running the Government. Sir, today, I have to say, with anguish, that the basic problem is not that we are in a minority in the world comity of nations; not that India is weak; not that they have become any stronger. The balance was always this. When we achieved independence, America was the richest country; the western countries were very prosperous; India was a poor country; and China was a poor country. The basic difference that has happened is, apart from the third-world countries leaving us, now India is seen to be a country governed by a weak Government. India is being pushed around in the corridors of world power. Why are we shying away from this fact? This morning, there was a small discussion on Kashmir, in the Question Hour. The same thing applies to Kashmir. Are we trying to deny that in the last six months Pakistan had been raising the Kashmir issue at all the international fora? The Kashmir issue is the same? What are you discussing? Accession Article 370, the events of 1948, nothing has changed. What has changed? The world perception about India has changed. Suddenly they feel that India can be pushed

[Shri Kamal Morarka]

around; suddenly they feel that India is vulnerable. Why? Again, they will say that we are politicalising the issue. The issue is that the way we have gone around with the begging bowl to the IMF and the World Bank, we have opened ourselves to being vulnerable. Unless India goes back to the path of Jawaharlal Nehru and Indira Gandhi, we will be in trouble because the world is a cruel place and nobody gives you your due unless they know that you have the spine to ask for it. It is not right to say that we are in a minority. How can one-seventh of the world population be in a minority? We are one-sixth. It is five-sixth versus one-sixth. It is not one versus one hundred and twenty. That is a wrong way of looking at it. And, if you can make China come with you, it is one-fourth versus three-fourths. You can never be ignored. It is a question of psycology. I am surprised that the speakers on the other side have given all the arguments that we would give. But at the end of the argument, they say, we support the GATT. I have not understood the logic. Mr. Santosh Kumar Saha said this while praising Indira Gandhi. I agree with him that India made great strides in rocket technology. May I remind that this is one area where, in their language, we are isolated? I submit that we have made progress only in the fields where we have not submitted ourselves to the West. We have made progress only, when we are "isolated". Which are the areas in which India can claim to have achieved success? Agriculture, atomic energy, missile technology, these are the very areas where we have not followed the West. We have had our own agricultural system, maybe, full of subsidies and the subsidy may be unsustainable from the financial point of view. We have made our own basket; we have had our own method of fertilizer subsidy, some procurement price, some power subsidy. We have made our own swadeshi form of agriculture and it has succeeded. Why are we ashamed of it? It is because some White man can come and tell us that we have not followed the international norms. We have made our own norms and we have succeeded. One-sixth of the world population we are feeding. Nobody is going hungry. Why are we ashamed of it? We have not become Somalia. We are looking for everything for foreign prescription. You take technology. We have refused to sign the Nuclear Non-Proliferation Treaty till today. According to the word power, we would be deprived of heavy water we would be deprived of plutonium and so on. We have done everything on our own. We do not need to take their assistance. In the missile technology they are scared. We have not adhered to the MTCR and with our Agni success, they are scared. Why are we closing our eyes to the reality? The word "isolation" may be very frightening to some people. That is the psychological frame of mind that somebody feels isolated. But the fact is that only in sectors where India has had its own swadeshi form of policy, we have succeeded. We have something to boast of. Where we have aped the west we are an abysmall failure. For instance, the Indian industry. All the top 20 houses of the country are net foreign exchange losers year after year. They import equipment, they import technology and they are not able to compete in the world. It is on record. Today I ask the question which they are asking. We are isolated. We need foreign exchange. Why do we need foreign exchange? For oil. We have our own oil. If we develop our oil-fields, we do not have to go to them for oil. Why do we need foreign exchange? For import of capital goods and raw materials. Why? For whom? For industry which cannot export, for industry which cannot look after itself. For agriculture, we do not need all these things. We have got our own fertilizer factories now. We have our own method of seed reproduction. We are fairly self-sufficient. I am not suggesting that we should cut ourselves off from the world. We need not cut ourselves off from the world. The world will not cut itself off from us. What are we afraid of? We are one-seventh of the humanity. They need us as much as we need them. But we must draw a line of national self-respect. In the inter country negotiations, each country likes to bargain for what is good for her;

specially at a stage like this when the basic rules of the game are being changed. In the whole negotiations of the MTO or the WTO, every country likes to put a rule which favours them or avoids a rule which is likely to go against them. That is fair enough. It is our own negotiating ability, our own conviction, that will ultimately lead us from where we are. My complaint to the House, to the country, is that this Government has been in power for the last three years. Why have they not taken the people into confidence? I was a little surprised at the very angry response of the Commerce Minister when our Jaipal Reddy ji suggested that the GATT 1947 should be circulated. He said, "There is a library and you can go to it." "We agree with him. But when a Bill comes before the House, the Statement of Objects and Reasons come, to extract of the relevant sections is printed for our ready reference. The Minister can say that since the Act is available in the Library, the Members can go to the library. The Act is lying there. But that is not the issue. The issue is that when a matter of such importance, which is likely to have effect on the country for the next two or three decades, is being discussed, the more information you disseminate, the better it is for everybody. I am sure, this is not the contention of this Government that the effect of this new trade organisation is going to be felt only for one or two years but in the next 20 years, 30 years or 50 years. We do not know till, probably, again the rules are changed. Why shouldn't the Parliament, the Members be taken into confidence? How many people today really know about the Dunkel Draft? What is it about? I have met the very informed sections, the so-called informed sections, of the population—industrialists, economists, bankers; they do not have a clue as to what the Dunkel Draft is. They are all talking in vacuum. Somebody will read an editorial in the newspaper and start talking. I request the Government to bring up, even now, a question-answer format for the things that are really agitating the minds of the people, for exemple, seeds for the farmers. Whenever we raise an issue, the Minister will give us the reply, "no, no, it is not going to be like this. The farmers will not be affected?" Where is it? Under the GATT provisions, is it covered? We do not know. The Government should come with some comprehensive document in a simple language. The common man must understand the plus minus points of what they are about to sign. Pharmaceutical prices will go up. Everybody knows they will go up. If it is the Government's case that it will go up only in certain items, what are those items? Why don't you come up with a list, that it will go up in the case of these anti-biotics, it will not go up in the case of these things? Let us what is the secrecy about it. My request to the Government is, at this stage it should see whether we can retrieve the situation by following the suggestions of Dr. Ashok Mitra because he has dealt with it in a very technical and detailed way. I am not aware whether India can take that stand even now, whether you can say that your legislature has to pass it. In my opinion, that was one of the lacunae in our Constitution because America and the Western Countries have to go to their Parliaments. You can sign it without coming to us! So I do not know the constitutional amendments. I have suggested in my earlier speech and I again suggest that any treaty which has an import over decades must be passed by the Parliament before it becomes a binding law on the country. You are binding it on all our future generations and you are doing it by yourselves. I do not think that it is fair.

SHRI PRANAB MUKHERJEE: Walk out.

SHRI SUBRAMANIAN SWAMY: The next generation will walk out.

SHRI KAMAL MORARKA: That is a very relevant point. My friend, Dr. Swamy, says if you are binding future generations, if you have no choice, then they have no choice. This is the seriousness of the whole matter that if we are binding the future generations... (*Interruptions*)...

SHRI PRANAB MUKHERJEE: May I interrupt for a second? What is your seriousness when you can come out of

the whole thing by giving a notice of just six months?

SHRI SUBRAMANIAN SWAMY: When you supported the Indo-Soviet Treaty, why can't you support the GATT Treaty?

SHRI KAMAL MORARKA: Sir, I have to correct the Minister.

SHRI V. NARAYANASAMY: When they had suffered during your regime, they are prepared to suffer even further.

SHRI KAMAL MORARKA: When you say 'walk out', Sir, we cannot walk out, because, if that was so, then, as Dr. Ashok Mitra said, you could have now invoked Article 1 of the GATT. The same reasons will apply. Today you want (*Interruptions*)

SHRI PRANAB MUKHERJEE: That is the difference... (*Interruptions*)...

SHRI KAMAL MORARKA: In that case, I have again to reiterate; I do not say we should not. Rajiv Gandhi said. 'We should not; in September, 1986 India said 'we should not'.

SHRI PRANAB MUKHERJEE: I am not interrupting. It was wrong but I will quote the leader of the Indian team in September, 1986. You correct yourself.

SHRI KAMAL MORARKA: Sir, the Minister's anger and arrogance I will ignore, but the fact remains that India under their Government has reached an all-time low in the international comity of nations. If they are trying to ignore that, they are doing it at their peril and at our peril. This is not a party matter. We are not saying that this issue belongs to the Opposition. This belongs to the whole country. I do not know what the whole thing is about. And then, speaker after speaker says if we had not signed, we would have been isolated. The Minister himself is saying, "No, no, there is no question. It is very good for us; that is why we are accepting it." Sir, that is not so. There is nothing good about this GATT as far as their interference in agriculture is concerned, their interference in internal affairs is concered. You can say everybody agreed: if we would have been left out, what we would do. That we have heard, there are many facets, but don't say, "We ourselves welcome people to interfere in agriculture." What for? Even Prof. Galbraith, who had been an American Ambassador here, an 85-year old man, has publicly said, "Indian ariculture has done well. You listen to the IMF, hear them patiently, but don't follow their advice." He himself has said that while every country has its own method, everybody gives all loose examples of China and the Soviet Union. China is like India. China has progressed only where it has nothing to borrow from the West. It has come up on its own Russia was dismembered and it disappeared the moment it took advice from the West.

The Vice-Chairman (Shri V. Narayanasamy) in the Chair.

My advice to the Government is, please take such advice which will do good to us. Don't listen to the West. Their kiss is a kiss of death. I am very clear on that. I am not blaming America. America is a great country. They have always been great. They have been so great that for the last 40 years they have been batting under GATT and we have been fielding. Because other countries have come up, now it is our turn to bat. Now, they have switched over from cricket to football. They say that everybody should be able to kick the ball equally, they are changing the game. Why? They are doing so because they don't want to do the fielding. Japan is about to bat and America is about to field. Then Germany is about to do the batting and America is about to field. They don't want to field. They always want to do batting. Now they say, "Let us play football." Whoever scores a goal, will be the winner. They are changing the whole game. We are watching it. I don't blame them. I blame ourselves. Even now our strong point is, at low consumption level, we are reasonably happy. Let us not try to disturb it by suddenly increasing our consumption level. I challenge the basic premise of export of wheat and sugar. Why should this country export wheat and sugar? We need wheat and sugar. Our people are suffering from manlutrition. They cannot get wheat and sugar. Our whole policy is, we will be able to export wheat and sugar.

This is the bankruptcy of mind. If you are exporting manufactured goods, that is one thing. If you say that our whole progress depends on export of wheat and sugar and our people should go hungry then the basic premise has to be arrested. I am not challenging the fine prints of that. You know better about it. Your officials know better about these fine print. I am challenging your whole philosophy. In a country of 85 crore people, where 40 per cent people are below the poverty line, how can you export foodgrains? Are our people here well—fed? Are they having two meals a day? Do we have surplus wheat and sugar? You are exporting wheat and sugar because our people cannot buy that, because we need foreign exchange to import goods to be used by a handful of industries which are running inefficienty. I think this is a totally lopsided economic philosophy. The Government must look at it. Thank you.

SHRI T. A. MOHAMMED SAQHY (Tamil Nadu): Sir, I rise to oppose the Dunkel Treaty which is altogeter against our national interests. These proposals are purported to have been mooted in GATT by the rich industrialised countries. These so-called reforms enable the rich industrialised countries to enter India with their goods and services which are bound to be quite detrimental to our trade and industry.

The American position on the Intellectual Property Rights and the amendments to the Indian Patents Act are going to cause irreparable loss to India's agriculture and farming. The Americans will sell their seeds to the farmers at high prices which will result in pushing them out. With the result, credit to small farmers will become scarce. The seed and credit policy will thus vest in the hands of big industrial houses. This is bound to displace small farmers which will affect not only the agricultural workers but the entire country.

Sir, in Karnataka some farmers purchased sun-flower seeds at Rs. 3 per k.g. Then they sold these seeds in the market at Rs. 85 per k.g. Sir, after harvesting the crop, the farmers were not allowed to keep the sun-flower seeds for the purpose of seeds. That is the condition. This is how the farmers of India will be affected.

There is every possibility of the foreign goods coming into the Indian markets This is bound to force the Indian manufacturers to close down their business. Further more, this shall, undoubtedly, reduce the Indian industrialists to the status of traders only. This is going to drain our resources.

I would like to cite here the example of soft drinks, viz. Pepsicola and Cocacola. The entire soft drink market has been taken away by Pepsi Cola and Coca Cola. Now Rs. 1,200 crores which have been allocated as subsidy for the consumers—Rs. 1,200 crores are the estimated profit to be earned by our Indian soft drink manufacturers—would reduce the prices of rice and sugar.

The new patent regime will, undoubtedly, raise the prices of drugs and pharmaceuticals, putting most life-saving drugs beyond the reach of the poor and middle class persons. The present situation is that a medicine prescribed for curing ulcer is available in India at Rs. 29 per 10 tablets. But the same medicine is sold in Pakistan at Rs. 260; in England, it is sold for Rs. 481 and in the U.S.A. for Rs. 744. I can cite the case of another tablet which is prescribed for swelling. This tablet costs Rs. 5 in India whereas it is being sold at Rs. 65 in Pakistan; its cost is Rs. 95 in London and Rs. 239 in the U.S.A. But once the Duunkel Draft is accepted, there would be great disasters in our country. The impact of it would be loss of jobs on account of industrial closure and displacement of agricultural workers due to mechanisation. The import of consumer goods and the setting up of highly automated facilities in India will reduce the job opportunities considerably. Furthermore, these things are going to totally liquidate India's public sector undertakings. This will badly affect the reservation of jobs for the Scheduled Castes, Scheduled Tribes and the Backward Classes. If the Government-run public sector enterprises are priatised, the extent of loss of jobs will be beyond imagination. The implementation of the final Act by India is going to create frustration and unrest among those affected unemployed

[Shri T. A. Mohammed Saqhy]

youth, who would be displaced from their respective fields and factories, leading to violence. The negligible benefit from the Dunkel Treaty is not going to be to the advantage of a vast majority of the people fighting for their sustenance; rather, this would result in a greater amount of depression among these people.

The final Act, on the face of it, is against our Constitution. An eminent economist has said: "The trade liberalisation sought to be imposed through the reform of the GATT is essentially a rich man's game sponsored by multinational companies to the detriment of the interests of the developing countries; the very poor countries are not likely to get any benefit from the trade liberalisation measures at all the provisions of the GATT relating to Intellectual Property Rights are likely to hurt all developing countries through the compulsory enforcement of new patents and copyright rules designed entirely in favour of citizens of the OECD and other rich countries." Now India is a sovereign country with its sovereign Parliament which has a Patent Law of its own of 1973. The Indian Patent Act has now to be amended; the revised GATT needs to be ratified not only by our country, but also by other countries who are members of the GATT. Such ratification would imply not only the signing away of the economic sovereignty of the country, but also complete domination by the developed countries in world trade in perpetuity. India would become a colony resembling the one-sided trade of the 19th century. The remedy lies with Parliament. The Indian Patents Act need not be repealed or amended. What would happen if India were to fail to ratify GATT? Would we really suffer? No, we are not going to suffer. What greater harm can come to India if we fail to ratify the GATT agreement in so far as TRIPS is concerned? The only area where the sanctions can hurt India pertains to oil imports. GATT or MTO has no control over the oil trade. We can always have bilateral trade, import oil and export whatever the oil exporters need. Indeed, even the developed countries are unlikely to worry over much about trading with us—GATT or no GATT. Signing the GATT proposals is detrimental to the interests of our country, to the interests of our ariculturists and to the interests to our manufacturers. We are going to lose our jobs. We are going to open the gates to multinationals. Thereby, our own people are going to suffer in the country which we have to avert. This is the appropriate time for the country, for all the parties to be united. The DMK, for instance, met in Tanjore on 29th December and condemned the signing of the GATT agreement. The National Front and all other parties in Parliament, except the Congress-I party, have condemned the GATT agreement. We are opposed to the GATT agreement being implemented. Signing this agreement is hundred per cent detrimental to the interests of the country, to the interests of the people.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Giri Prasad. Sir, your time is six minutes.

SHRI N. GIRI PRASAD (Andhra Pradesh): Mr. Vice-Chairman, Sir, it is highly regrettable that the Government has taken an attitude to divide the people on this very vital issue which affects the interests of the nation. Perhaps the Government was thinking that by bulldozing the issue, by ignoring Parliament, by not taking the opinion of the people, they could sign the agreement, could sell the agreement and could carry the people with them. If this is the Government's thinking, then they are sadly mistaken. As you see, this House is virtually divided, maybe between the Opposition and the Treasury benches. Moreover, the Government does not perhaps have a majority in this House. They may be having a majority in Lok Sabha. But that should not be taken as the criterion to bulldoze this issue and impose this issue on the people of India. This is a vital matter, not connected with any political party, including the ruling party. Every political party, every human being, every citizen of India is interested to know what would be its effect and how the nation would be affected. But the

Government is never bothered to explain all these things. The Government is following a two-track approach. On the one side, it says that these Dunkel proposals or the final agreement whatever it is, is very useful, necessary and would serve the purpose of our country. That is one track of approach. The second track of approach is that though there may be some bad things in this, it is inevitable that we accept it; otherwise, we will be isolated from the world trade. I think the Government must be sincere to itself before they sell any such idea to the people. What is the reality? Why is the Government fearing to speak the truth? If it is really in the interests of the people, they should say so. If they think that there is no other way except accepting it as, otherwise, we will be isolated from the world trade, they should say so. It is because on this premise, there are many things to be worked out in the interest of the country. And I am sure what the Members from the Opposition side said is more or less correct. One or two Members from the Congress benches also, said the same thing. There are many things which go against the interests of the country. We are a backward country, no doubt. There are very, very powerful nations. All these GATT arrangements, specially this Uruguay Round was intended not only to distribute various economic levers among themselves but also to exploit the weaker countries. If we forget this, I think, we will not be able to come to correct decisions. Unfortunately, the Government is forgetting this vital fact. And the Government, even now, must come forward and say what the basic areas are where our interests may be affected by following these GATT proposals. Already they have signed. They are likely to sign again. The Opposition is sceptical about it. A large number of people, though they may not be well-educated about the positions of the GATT are highly sceptical about the fate of agriculture. And they are afraid that agricultural imports in many commodities may be there and they may come in great quantities. Then, what will be the fate of our own agriculture? The Government is thinking of exporting our own agricultural commodities. But there is a danger of large-scale imports of agricultural commodities from the western countries.

Similarly, the drug prices may increase. And what is the safeguard? They may say that the prices of only 15 per cent of the drugs will increase and the prices of other drugs will remain the same. I do not know. People are not convinced. Similarly, the seeds may not be used by the peasants, and subsidies may not be continued. All such doubts are there. They may clarify it for a certain political purpose. First of all, they must be open enough. They must take a transparent attitude towards all these problems. And they must take the Opposition and the experts into confidence. The Government has failed to take anybody into confidence. And I do not know whether tney have taken the trade negotiators into confidence. My main point is that they have made a political bungling all along the line. They never took the Opposiiton into confidence, thereby they are dividing the nation, they are dividing the Parliament and they are dividing everybody. They may accept it. But it has go a very negative impact. It will have a long-range impact on the future generations. That is why even now it is not too late for the Government. I suggest two main things. One is that the Government should immediately convene a meeting of the Chief Ministers because their interests are also very vitally involved in this matter. Many political parties are in power in various States. Every political party is in power in one State or the other So, without the concurrence of the Chief Ministers, without their acceptance, I think, it is very difficult for the Government to have a consensus to push though this negative or harmful policy. That is why it is urgently necessary that the Government should convene a Chief Ministers conference and work out a proper strategy. Secondly, they should convene a meeting of all the political parties. The Government claimed some time back that they convened a meeting of the political parties. Some parties attended and some parties did not attend. I think, the Government was no serious in this respect.

[Shri N. Giri Prasad]

The Commerce Minister cannot convene a meeting of the political parties. He may be a good man, a great man. I have no ill-will against him. But it is the job of the Prime Minister because, before he sends the Minister to sign the agreement, he should convene an all-party meeting, and he should also consult the technical experts and economists and many other interests involved in this. Unless the Government is clear enough to clear the doubts among the political leadership, I thing, the country will face a serious problem even if the Government signs it. There is the last point now. Even if the Government wants to accept it and if the Government is able to convince the Opposition, the trade, the Chief Ministers and others, there is another problem, which is more impotant, connected with it. There are scientists; there are economists; there are business people; there are many others. How would you involve them in order to face competition in the world trade and safeguard our own interests, because everything depends upon the technological and scientific advancement? The Government claims that we are highly developed in terms of the number of technicians and scientists, but how would you utilise them? Has the Government got any plans? There are many universities and many laboratories. What is it that they are going to provide in order to develop our own patents and our own innovations? How would you develop our research and development? Unless you do all these things you will not be able to derive any benefit. Alone with political mismanagement, they will mismanage the scientific community, the business community, the economic community and the people at large. I request the Government to seriously ponds over these matters before going to sign the Dunkel agreement. Thank you.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Before I call the next speaker, if the House so agrees, the statement by the Minister of Railways and another statement by the Minister ofCivil Aviation can be laid on the Table of the House and we can have clarascations on Tuesday.

SHRI MURASOLI MARAN (Tamil Nadu): These are important matters and we want to seek clarifications.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): There are left more speakers who have to speak.

SHRI MENTAY PADMANABHAM: I would like to make a suggestion. Only one or two speakers—may be, three—are left. Let the discussion be over today and let the Ministers make the statemen's. Then you allow the Members to seek clarifications. Let the Minister of Commerce reply to the debate on the next day.

SHRI JAGDISH TYTLER: He has also to reply today.

SHRI MENTAY PADMANABHAM: That is my suggestion and I think everybody agrees with me.

SHRI GURUDAS DAS GUPTA: (West Bengal): Today we met the Chairman. Many of us suggested that the matter may be allowed to be raised during the zero hour. The Chairman told us that since the Minister was making the statement today, the Members would be free to ask questions and, therefore, the matter may not be raised during the zero hour. It is on the basis of that assurance that the matter was not raised. Therefore, if we are not allowed now to ask questions and if the statement is not made, such an important issue will be lost in default in the highest forum of the country. So I plead with you and I suggest....

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): The Minister will make the statement.

SHRI GURUDAS DAS GUPTA: I am only suggesting. The discussion on GATT can go on for some more time; it is not a matter that ends today, nor

has it begun today. But here is an accident which has attracted the notice of the whole country. Therefore, I plead with you that discussion may be allowed to be continued on the 15th. The hon. Minister of Commerce may kindly be requested to reply to the debate on that day and today we ask clarifications.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): I get the point, but....

SHRI JAGDISH TYTLER: The reply has to be given today.

श्री संघ प्रिय गौतम : मेरी भी प्रार्थना यही है कि अभी परसों ही हमने एयर कार्पोरेशंस एक्ट पास किया था और इधर यह एक्सीडेंट हो गया। यह बड़ा इम्पोर्टेंट विषय है। यह डंकल का मामला जैसा ही है। ....(व्यवधान)...

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): If the House agrees, we will do like that. Otherwise, I call the next speaker. Mr. Padmanabham.

SHRI INDER KUMAR GUJRAL (Bihar): We can have further discussion on Dumkel on the 15th or any othed day.

SHRI M..NTAY PADMANABHAM: I thank you, Sir, for accepting the suggestion of the House.

SHRI JAGDISH TYTLER: No, he has not accepted it.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): I have not accepted it. I put forth the suggestion and it is not accepted by the House. Therefore, let us go by the procedure. The House knows that the statements are to be made by the Minister.

Now, Mr. Padmanabham, you have to speak.

SHRI MENTAY PADMANABHAM: You have permitted me but the House is not permitting me.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): You have to speak now. You wanted the sense of the House relating to Ministers' statements.

SHRI GURUDAS DAS GUPTA: The statements may be made now.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): The Commerce Minister is here. I will tell him about the sense of the House. Mr. Minister, hon. Members want that you should reply next week, i.e. on 15th. What do you say?

SHRI PRANAB MUKHERJEE: Sir, I had the privilege of discussing it with hon. Members in the Chamber of the Deputy Chairperson. As per their suggestion, I have no problem in replying to the debate on 15th. But I would like to request that it should be done in the first hour, i.e. after Question Hour, even by postponing the lunch hour, if necessary.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Padmanabham, please.

SHRI MENTAY PADMANABHAM: Then, I can speak next week. We can resume the debate on 15th.

SHRI PRANAB MUKHERJEE: No, the debate should be concluded today.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): The Minister will reply on 15th.

SHRI PRANAB MUKHERJEE: I would like to listen to the hon. Members, sitting here. If the debate is concluded today, it will be better. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): There are three more speakers. Only five minutes each. That is all. Mr. Padmanabham, you can begin.

SHRI MENTAY PADMANABHAM: Thank you very much, Sir.

[Shri Mentay Padmanabham]

Mr. Vice-Chairman, Sir, this debate on the GATT Treaty, on the Dunkel Text, has been going on for the last one-and-a-half years. If I remember correctly, this is the third time we are discussing the issue in the House. The Government's position has always been that whatever proposals are there in the GATT regime, they have no option but to accept it, accept the multilateral agreement. Their position is that their hands are tied and that they have no option but to accept the proposals. This is one thing. Secondly, it is said that if we do not accept it, we have to come out of the GATT. This is what we have heard from the Government on a number of occasions. Even earlier, When Mr. Chidambaram was the Commerce Minister, when we met him, he explained it in the same way. But now, suddenly, I was surprised to hear from the hon. Minister that the Government had really wanted to sign it. I do not know what made them change their stand from one of compulsion to that of willingness, outright willingness. This point has to be explained by the hon. Minister.

A number of Members from this sdie spoke; Mr. Jaipal Reddy, Mr. Ashok Mitra, and others. They quoted from the Treaty, chapter and verse, the various provisions, elucidated the various issues and pointed out as to how it was not in the best interests of the country. Therefore, I do not want to go into those details.

Some Members from the Government side also spoke, but their defence was very very feeble. I am sorry to say that all of them, without any exception, spoke without any conviction. For example, I heard Mrs. Jayanthi Natarajan speak. She said that this was a multilateral agreement and therefore, any party to the agreement must have an attitude of 'give-and-take'. I agree with her. In the case of multilateral agreements—in fact, this is the position even in the case of bilateral agreements—the contracting parties should always be accommodative to each other. However, in this particular case, when we wanted the Government to bend a little, they completely prostrated before them. They have absolutely surrendered to those people who matter very much in the GATT. This is the major complaint of the Opposition parties against the Government 6.00 P.M. Not only the Opposition parties but also the entire House are rather aggainst at the Government's surrender on the Dunkel proposals.

Sir, there are certain issues which, I think, the Government has to explain to the nation. First of all, my friend, Mr. Giri Prasad, just now mentioned that some of these proposals which the Government has already agreed to sign—at the official level some signing has taken place-pertain to the State Governments. Particularly the issue of agriculture is a State subject. There is the issue of public health. These proposals have a greater impact on the pharmaceutical and drug industry. Many Members have pointed this out. Public health is also a State subject. Then, public distributitn system is also a State subject. I would like to know from the Central Government whether at any particular point of time they have taken the State Governments into confidence. Sir, I would like to remind the hon. Minister here that the Government of Andhra Pradesh is a Congress (I) Government. It is not a Government of a party in Opposition here. The Andhra Pradesh Legislature passed a resolution resisting the proposals vis-a-vis ariculture. What is this, Sir? Is this the way to conduct the affairs in this country? *(Time bell rings)*

Sir, I have not taken even three minutes.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): No, no. Five minutes are over.

SHRI MENTAY PADMANABHAM: Sir, a number of States have come out. For example, the West Bengal Government has come out openly that it is not accepting it, that it is not implementing it. Even if the Government of India agrees to sign the final agreement, some of the State Governments have already shown their reluctance to implement the proposals contained in the GATT agreement. What is it that the Government is going to do? There are various agencies, agencies of consultation between the Centre and the States. For example, there is the Inter-State Council. During the last two years the Government should have taken the initiative and discussed it in the Inter-State Council. It never did it. I do not know whether any discussion has taken place even in the Chief Ministers' Conference. May be, some informal discussion has taken place, but, as an agenda item, has the Union Government taken the initiative to discuss it with the State Governments? No, never.

This is exactly the point which I would like to make: why should the Union Government take such an extreme view? What are the compulsions? Who is behind that, The hon. Minister should make known to the House as well as to the people whether tnere is any symbiotic relationship amongst the World Bank, the IMF, the 301 and the American pressure. A lot of things are involved. There are a lot of players in the field, who are trying to impose their views on the Government. Why should the Government so easily and so readily succumb to the pressure of those agencies? This has to be explained to the country. Whether some proposals are good to the country and some other proposals are not in the best interest of the nation, is a different aspect. Why should the Government show such a kind of hurry and such a kind of one-sidedness in accepting and in signing the proposals on December 15, 1993? This has to be explained.

One more point I would like to make is that the constitutionality also should have been examined. It requires amendment of our patent law. It requires amendment of our copyright law. It requires amendment of our entire jurisprudence, legal system, at least some parts of our legal system.

Yesterday the Prime Minister, while replying to the debate on the Pdesident's Address, said, "When these laws are placed before Parliament, you can express your views. We have reserved our right." He has said things of that kind. I do not know whether that can be done. Can they go back? Can they reverse their position? Constitutionally they need not approach Parliament because the Indian Constitution does not impose any duty on the Executive to come before it before signing international agreements, particularly muli-trade agreements. Then how are they going to take the Parliament into confidence? I think the Minister owes an answer to the nation and to the House. Their argument is that we had no option except signing it Otherwise we would be isolated. Why should they use such words? I hope the Minister would explain everything to the House.

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI K. C. LENKA): Let me make a statement. If the Members agree I may make the statement and they ask clarifications on 15th.

SHRI MISA R. GANESAN (Tamil Nadu): No. Sir. It should be done today itself.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Both the statements have to be made today. The House does not agree.

SHRI K. C. LENKA: In that case let me make the Statement first. Then the discussion can continue.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Only one speaker is there. After he concludes, we can take up the matter regarding the Railways.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): Today in the country there is a widespread propaganda against the Dunkel Draft. Whether a Dunkel Draft exist or not, I will not go into it, but the name Dunkel and Draft have become sufficiently popular. I am reminded of the propaganda that was let loose against the Bofors gun that it was a plastic *Tope*. Its cartriges are of plastic and that it would not fire more than five feet. A variety of disinformation was spread with the reports about the under-the-table payments. It was made an enoromously big issue in 1989. Today also the same kind of propoganda is on about what should be properly called as the GATT-1994 Treaty. Sir Athur Dunkel had prepared a report following the meeting of Commerce Ministers in 1990 in Brussels for adoption or for rejection. Anyway, GATT-1994 has been threadbare examined by the Parliamentary Standing Committee. In its report at paragraph 246 on page 63 it says, and I quote:

"There are differing opinions expressed on the desirability or otherwise of India binding itself to the Uruguay Round. There is no denying the fact that the final outcome is not in the best interest of India to every country. But, in multilateral agreements it is always the question of give and take. Undoubtedly in todays world with increasing inter-dependence of nations, multilateral agreements with MNF status for all participants, are decidedly advantageous as compared to bilateral agreements. Every country has a sovereign right to sit out of the GATT, but it cannot be argued here that India's interests will be best served by giving up the membership of the forum."

This is the report under the chairmanship of Mr. Inder Kumar Gujral, which consisted of Members at least from the major parties. And certainly all the parties which are today speaking against the GATT-1994 agreement were represented. Their conclusion is unambiguous that we should not get out of GATT and that a multi-lateral agreement cannot be all to be in favour. Therefore, on balance it is advantageous for us to accept it. This is the thrust of what has been said in this report. Now today in the debate, Members are taking a different stance and outside in the field it is just a chaos. A part of the responsibility for this gross disinformation about the GATT 1994 Agreement is on the Government because the problem is the Cogress is having an identity crisis. For 40 years they preached socialism. Today they have bolted from socialism. They do not want to admit it; otherwise, whatever they are doing they are doing in a defensive way. They say, "There is no change. This is just an accommodation. This is part of the Agreement. This is what had happened." Of course, this is the real cruy of the matter. The Congress should say, "We made a mistake or the ideology that we followed in the past is irrelevant. Today, we want to function in an international environment of competition. We want to function in an environment of interdependence. We are giong to make necessary compromises for that." If they took that stand they would not have had this problem. The problem has arisen because the Congress has defected from own ideology. It has no guts to admit it. That is why you remember we had to literally extract from the Commerce Minister a confession that they had initialled the Agreement the right word is not initialled the Agreement but they had to go along with others on the 15th December in Geneva So, I would urge the Congress party to come out of—

what I would call—the split personality. This defensiveness, this sense of inferiority complex or unable to meet the Leftists onslaught come and say, "We think that competition is good for India. We would like the Indian industry and Indian agriculture to survive in the international competition that would be provided by this Agreement." Now having said that, I have always been in support of Inida going along on this GATT, 1994, being a party to it and taking the best advantage of it. Unfortunately, all the argument used today assume that India will be a permanent copying country, we don't want this patent law, that is, the international standardised patent law because it would not allow us to copy from the West. Five years from now there is a transition period of 10 years. In these 10 years, are we going to continue to be a copying country? Today our computer scientists are suffering because of copying of our software packages. They are not getting any protection. Today our agricultural research institutes are producing strains which will be exported to the other countries. They also need protection. The same patent law which is preventing us from copying their things will prevent others from copying ours. Therefore, there is a projection that we should think of. Today I would say that India can make tremendous progress in the international trade area because of the GATT, 1994, partly due to the fact that we can export agricultural products.

Mr. Kamal Morarka is not here. He said, "Why should we export rice, wheat and sugar when we need in our own country?" If our agriculturists export these commodities, they will get five times or six times the price which they are getting here today. Today, our agriculturists are made to beg before the Government for Re. 1.00 increase in purchase price or Re. 1.00 cut in fertiliser price. Tomorrow they can export. The amount of money they get, they will invest in this country. The yield per acre will go up both within the country. We will be able to export plenty of foodgrains. We were able to produce a lot of commodities. Take, for example, cotton. This Government has banned the export of cotton. Egypt produces four times as much per hectare as we do. Why is it that we are not able to produce more? Rice is produced in much larger quantities in Japan per hectare. Why are we not able to do it? Because our farmers are poor. How can you remove the poverty of the farmers? We can remove it by linking them up with the international community and enabling them to export and stand on their own feet and not rely on the Government's doles. Therefore, I would say that this Agreement will, in fact, bring rural prosperity, that is the only way. It cannot be brought through IRDP and other rural development projects and so on. They are all leaks. They are leaking all the way. They may help the ruling party. But the real way to increase agriculture prosperity is to make the farmer prosperous. That is why aricultural landless labourer in Bihar who earn only Rs. 24 per day is taking a train and going to Punjab to earn Rs. 60 a day. This shows the farmer in Punjab is more prosperous than the farmer of Bihar. In the same way, if we get into the international trade, yes, you can export rice to some countries. But, fruits, cut flowers, and vegetables can be exported. What does the farmer require? Fax machines, feeder airports and cold storages. The Government should provide these things. There will be rural prosperity the kind of which we would not have even imagined. Even today, despite all that is being given to the farmer, the yield per acre is one of the lowest in the world. I would speak on this alone. On the industrial sector, I would not like to say very much. In fact, there is not very much one can say because the industry itself is not very much worried except, perhaps, the drug industry. There also, it is highly exaggerated. But the real thing is, the opposition, today, to the GATT 1994, is not because of the merits of the issue. If, on the merit of the issue, they were opposed, then this kind of a report from the Inder Guiral Committee should not have come out. But the real issue is that they are using superstitions. Previously, one of my good friends in Par-

liament, Mr. Maniram Bagri, got elected to Parliament by saying that Nehru had accepted the Bhakra Dam and thereby he had taken electricity out of water and the water was rendered impotent by that and therefore, no crops would grow with that water and that, therefore, the Bhakra Dam should be demolished. He won the election on this issue. They are working on the superstitution, on the fear of the people, and they are saying, "You will be taken over". Infact, it is not so. It is the defensiveness of the Congress which is responsible for this propaganda getting effective. I would urge the Congress party to come out openly and meet this propaganda and expose this leftist-inspired propaganda against the GATT, 1994. Thank you.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Jagmohan.

SHRI JAGMOHAN (Nominated): How much time are you giving me, Sir?

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): The total time is 14 minutes for the entire group.

SHRI JAGMOHAN: Sir, much has been said on both the sides and this is a subject on which much can be said on both the sides. The point I would like to make is this. What is the ultimate pattern of the international order which we are visualising? The basic objective, as I see it, is to have a better control. The Western countries want to have a more effective control on the trading system of the world. Previously, even when they came to the colonial country, the main purpose was trade. Not that the trade did not or would not benefit some of us. It will benefit for a certain period. But the point to be remembered is what type of world we would create. It would be an uneven world, unfair and unequal. We may gain by five per cent, but others will gain by 95 per cent. Now, already, there is a wide gap between the developing and the developed countries, between the poor and the rich countries. For example, over the last two decades or three decades, in spite of all that was adumbered through the World Bank aid and the IMF aid and the other aid consortiums, the gap between the rich and the poor has increased manifold. If you take the poorest one billion and the richest one billion the difference is 1—50 and this gap is increasing every day. And, by the type of system that we are having, this gap would further increase. When the imperialists came to the country also, we benefited through the railways. But we have to see where ultimately the end-product went. And we lost in the long run quite a lot. The same thing is likely to happen under this system. The GATT is one of them.

Another point is, we always say power corrupts and absolute power corrupts absolutely. Now, power is going to be concentrated in the hands of a few multinationals. The latest figure, which, probably, all of us may be aware, is that 200 mega multinational companies are controlling a lot of trade of the world. And, 170 of these multinational companies belong to the five big the USA, the UK, France, Germany and Japan. and what is their trading pattern? Only ten years ago, 25 per cent or 26 per cent of the gross world product was controlled by these companies. Now, during the last ten years, it has come to 28 per cent. During the last ten years, their revenues have gone from three trillion dollars to six trillion dollars. It only means that there is a concentration of power in a few hands and when the power is concentrated in a few hands, the liberties are restricted; they are undermined. So, if you are giving so much power to these people by the mechanism of trade, then we are not going to have a fair and a just world as we pretend we are trying to establish. In fact, we will be having an unfair and unjust world by what we would be describing as fair and just means. They would not actually be there. We should understand the new game that is being played in the world. It was said that the drugs only would be patented The life-saving drugs will create a lot of problems. It was also said that seeds which are more productive, would

also be patented which would create problems for us. I would like to ask: Why don't we create an opinion in the world? Why don't we project that we are helpless? Why don't we project that we are against this?" But those people who are speaking of human rights, is it a human right if somebody finds a life saving drug for a disease like cancer or AIDS? It is the duty of the world to ensure that this medicine becomes available to every nook and corner of the world for every poor person. This is the message which we should convey. Well, we may not get out of the GATT. But, at least, we can create a world opinion. If I can have a more productive seed, why should it be denied to the developing country? So, if you say the common world, the common heritage, the common problem, why is it not considered as a common problem at least in these essential aspects of society? We do not have to have the sedvant and the master relationships. Globalisation is all right. But what role is being assigned to you in globalisation? That is the matter on which we should apply our mind. This is the basis sssue which we have.

The second point is: "What will the developing countries be exporting?" They will be exporting their environment; they will be exporting cheap labour and who will be benefiting from the cheap labour? Supposing, I make some clothes in the slums by employing some labourers and then somebody from the middle class or the upper middle class buys that cloth at a cheap rate, export it. Naturally, he will get the benefit of export promotion also and then it will be sold in America. In America, they will sell it at their own market price at a huge profit from their departmental stores which are controlled by the multinationals So the huge profit will go to the richer people of America and also to the intermediat, comparatively richer people of India. So, we are creating a society at two levels—in our own country as well as at two levels in America. They can always do that because they are very prosperous in many fields. But, in our country, both in the rural areas and in the cities areas, we are creating two levels of our society — the rich and the poor. Yesterday, I heard the Prime Minister saying that we are investing so much in the rural areas so that the migration does not take place. But when the multinationals have a free play in our cities, how will you prevent the migration? Where is the space which you are providing? What public utilities are we handing over to the private people? We are saying that the outsiders will come but the power rates will go very high. So, we are going to create an environment in the city which will be all right for five to ten per cent of the people but eighty per cent of the people, ninety per cent of the people, living in semi-primitive conditions, would suffer. So, this will have a fall out so far as the social conflicts are concerned and ultimately, by trying to boost our particular field or trade, we can do this or we can do that. We may create a very serious conflict and the society may face a lot of problems. It is not what we say but what the perception of the society is. That actually matters and if the society comes to the conclusion that 80 per cent of the people are being unfairly kept in slums and so on, then there will be a widespread conflict in this country and we will not be able to manage it. And with the types of techniques of terrorism and subversion that are coming in this country, any group can create a major upheaval. I think we should be on guard so far as this is concerned. I am not arguing that we have to stay out of it but, at the same time, we should educate the world community through our efforts, as you are doing through the NAM and so on, and also our own people that this is the best that we can make out of this, and this was the best, but if we want to improve, we should take into consideration these vital factors. And since you have rung the bell, I am concluding. Thank you.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): The hon. Minister of Commerce will give his reply on 15th March, 1994. Now, the hon. Minister of Civil Aviation will make a statement.

SHRI INDER KUMAR GUJRAL: Sir, my name was there.

THE VICE-CHAIRMAN (SHRI V. NARAYANSAMY): Your Party's time is over.

SHRI JAGDISH TYTLER: Sir, since he has to go somewhere, he wants to make his statement first.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): All right. The Minister of State for Railways will make a statement first.

. **The Vice-Chairman (Shri Md. Salim)** in the Chair

STATEMENE BY MINISTER

Production of Coaches in Integral Coach Factory, Madras

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI K. C. LENKA): Sir, Honourable Members, Mr. Ganesan, Smt. Jayanti Natarajan and others, have raised certain issues pertaining to Integral Coach Factory, Madras. I had assured that I would clarify the matter with all the details. I am glad to clarify and from the House that the apprehensions expressed by Honourable Members are not at all true.

There is no proposal to close Integral Coach Factory, Madras and shift the work to Rail Coach Factory Kapurthala. Futher no employee has been retrenched on account of reduction of workload. Full installed capacity to manufacture 1000 coaches including Electrical Multiple units is being utilised at Integral Coach Factory, Madras during 1993-94.

The production programme of Integral Coach Factory, Madras was earlier approved at 1050 coaches during 1994-95, including 200 Electrical Multiple Units.

However, seeing the reduction in the assessed requirement of coaches during the VII Plan, the production programmes of both Integral Coach Factory Madras and Rail Coach Factory Kapurthala are being revised downwards to 775 coaches including 150 Electrical Multiple Units at Intgral Coach Factory, Madras and 775 coaches at Rail Coach Factory, Kapurthala. Both the units have an installed capacity of 1000 each.

Efforts are being made to secure alternate load for the two factories.

THE VICE-CHAIRMAN (SHRI MD. SALIM): We are now going to take up the clarifications on this statement.

AN HON. MEMBER: What about the statement to be made by the Minister of Civil Aviation?... (*Interruptions*)...

SHRI INDER KUMAR GUJRAL (Bihar): Sir, I want to be on record that since I was the Chairman of the Committee which has submitted its Report on the Dunkel proposals, and my name was to be there and for obvious reasons I have not been permitted, I would like to seek the indulgence of the House to let me speak before the Minister speaks next time.

THE VICE-CHAIRMAN (SHRI MD. SALIM): Time was allotted to your Party and someone had already spoken. I think it was Mr. Jaipal Reddy.

SHRI INDER KUMAR GUJRAL: I know that, but I am submitting it because my name... (*Interruptions*)...

THE VICE-CHAIRMAN (SHRI MD. SALIM): Mr. Reddy has spoken.

SHRI INDER KUMAR GUJRAL: I am submitting it as a personal explanation. Because Mr. Swamy has mentioned my name, I will take... (*Interruptions* ...

THE VICE-CHAIRMAN (SHRI MD. SALIM): If this is a personal explanation, then you can write to the Chairman.

SHRI INDER KUMAR GUJRAL: But I want to be on record.

THE VICE-CHAIRMAN (SHRI MD. SALIM): You can write to the Chairman.

SHRI V. NARAYANASAMY (Pondicherry): Sir, as per the list of Business,